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OAS Condemns Recent Events in Colombia

PY2208130089 Buenos Aires TELAM in Spanish 0300 GMT 22 Aug 89

[Text] Buenos Aires, 21 Aug (TELAM)—Argentina has expressed its solidarity with the Colombian Government and people during today's OAS session. The OAS also expressed its "consternation over and repudiation of" the recent terrorist actions in that country, and stressed the "indomitable Colombian Government decision to fight against drug trafficking and related illegal activities."

The OAS held a "special and urgent" session today at the request of Colombian Ambassador Leopoldo Villar, who wanted to directly inform his colleagues in that organization about the violent events in his country.

In his speech, the Argentine delegate repudiated the criminal attacks that are meant to threaten members of Colombia's judicial branch, especially the murders of Carlos Valencia Garcia, Colonel Valdemar Franklin Quintero, and Senator and presidential candidate Luis Carlos Galan Sarmiento.

According to the text of the speech—released tonight by the Foreign Ministry in Buenos Aires—the Argentine representatives condemned "those terrorist actions that, in attacking democracy and the state of law, violate the principles and objectives of the OAS Charter and all other instruments of the system organized to defend and strengthen those principles."

In expressing their solidarity with the people and government of Colombia against what they called "this tragic situation," the Argentine delegates stated that the problem affecting Colombia "is a problem for the whole continent, because, as it has been correctly stated, the world of drug trafficking has no borders or frontiers."

The Argentine delegation also stated that the solidarity of the OAS members must be expressed through "a condemnation of all types of violence and of all criminal terrorism."

It must also be expressed through "the actions intended to vigorously defend representative democracy, of which Colombia is a clear example, the essential rights of man, and social justice in the continent."

The OAS resolution also reiterates the member countries' condemnation of all activities related to the consumption, production, and trafficking of drugs and psychotropic substances.

It also reaffirms the commitment to struggle against drugs within the framework of the Rio de Janeiro program for inter-American action and the Guatemala Declaration (Alliance of the Americas Against Drug Trafficking).

The ambassadors to the OAS also reaffirmed their intention "to intensify the preparation for the meeting of ministers from all member countries, with the goal of reevaluating the current state of the drug problem and adopting concrete measures to eradicate this problem once and for all."

Group of Eight Warning on Panama Reported

PA2208173089 Paris AFP in Spanish 1623 GMT 22 Aug 89

[Text] Montevideo, 22 Aug (AFP)—The seven active members of the Group of Eight today issued a statement on the "serious harm" that a unilateral solution to the Panama crisis would cause for "coexistence in the hemisphere."

According to the statement released by the Uruguayan Government, the only way to solve the problem is through a dialogue to ensure the validity of "the democratic principles, sovereignty, and self-determination of the Panamanian people."

According to the text of the statement, the document is the result "of recent incidents in Panama," and it is being released at a time when tension between that Central American country and the United States is increasing.

The talks sponsored by the OAS to try to create a government that would replace the current one, whose term of office ends on 1 September failed when, on 21 August in Panama City, the positions of the current government and the ruling party and those of the opposition were declared irreconcilable.

The document released in Montevideo was signed by Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela.

Panama's active participation in the Group of Eight has been suspended.

Cuba

Soviet Correspondent Looks at Trade With USSR

FL2308194589 Havana Radio Rebelde Network in Spanish 1700 GMT 23 Aug 89

[By Soviet correspondent Victor Ampilov, in Spanish—recorded]

[Text] I would like to talk to you, my friends, about a subject that was examined during the USSR's Congress of People's Deputies. It concerned relations between the Soviet Union and Cuba. In particular, writer Vasiliy Yolov and economist Nikolay Smilov questioned our country's trade relations with the island of freedom. A prestigious opinion was needed to dot the i's.

In recent days, the weekly [not specified] published the interview with Karen Khachaturov, president of the Soviet Committee for Solidarity with Latin American Countries, a specialist in Latin American affairs and, up to very recently, vice chairman of the NOVOSTI press agency. Karen Khachaturov believes that, at this time, the Soviet Union trades with approximately 30 Latin American and Caribbean countries, but, strictly speaking, the Soviet Union only gives aid to Cuba and Nicaragua.

Karen Khachaturov stresses that Soviet-Cuban relations cannot be assessed with the usual criteria inasmuch as Cuba is a socialist country and its relations with the Soviet Union also have, in addition to an economic nature, a political-internationalist one. We cannot disregard the fact that the hostile policy of the United States toward Cuba has forced the island to look toward socialist markets.

Currently, up to 30 percent of the sugar the Soviet Union consumes—that is, 1 out of 3 spoonfuls the Soviets consume—comes from Cuba. Likewise, up to 40 percent of the citrus fruit we consume comes from the island. Khachaturov admits in the interview that the Soviet Union pays three or four times above the price of the world sugar market but says that we should not forget that a significant part of the price of sugar is covered with the supply to Cuba of raw material; basically fuel, machinery, and others. If the Soviet Union did not continue receiving sugar from Cuba it would have to purchase it on the international market and it would have to pay for this item with convertible currency. In addition, nobody would be able to say the effect this change would have on the price of sugar.

This interview shows that our bilateral relations are not as simple as some Soviet people's deputies believe.

U.S. Plans for 'Subversive' TV Marti Noted

PA2408044489 Havana International Service in Spanish 0045 GMT 24 Aug 89

[Commentary by Barbara Bethancourt]

[Text] Throughout the 30 years of revolution, Cuba has confronted various forms of aggression by the U.S. Government. Now, a new form of intervention is approaching, this time in the field of radio broadcasting with the planned Television Marti. Radio electronic war against Cuba is not new. It dates back to the sixties when the Federal Communications Commission approved shortwave broadcasts beamed to Cuba. At that time, Radio Swan, organized by the CIA, was created and later joined by the Voice of America. These stations broadcast throughout the sixties. The seventies were relatively quiet, until Ronald Reagan reached the White House. Reagan stimulated a flareup of radio aggression, and its main exponent is the ill-named Radio Marti, which has been on the air since May 1985.

Still not satified, the co-authors of the Santa Fe Program again charged and drafted a new document, this time on the outlook for U.S. policy for the remaining years of the 20th century. This document, known as Santa Fe II, says, and I quote: In view of the fact that Castroism is finished, ruined, and is a failure as a model of development and freedom, the United States should increase the broadcasts to Cuba as a means of civic education in order to create a democratic regime. A Television Marti should start broadcasting as soon as possible with programs to emphasize democratic culture. End of quote.

This aim, which is what the most reactionary and ultra-conservative groups of the Cuban community in the United States want, as well as the wrath of the imperialists over the reforms that are taking place in some socialist countries are the parents of Television Marti. So far, this creature has had the moral, and above all, the financial support of all levels of the U.S. Government where this creation has been discussed. Now, the Senate must approve it, but there are sufficient reasons to think that it will be approved.

Now, then, how does Cuba define this anti-Cuban television project? A U.S. citizen did it very well for us when he said that the proposal authorizing the creation of Television Marti is, in fact, an electronic Platt Amendment. This is the way (John Nichol) established a similarity with that amendment imposed on the Cuban Constitution in 1901 at the request of the U.S. Congress. This is also the way the Cuban Government considers it, and in the face of such an aggression, it has a right to answer, and it will do so. Besides, the issue should be seen more broadly, because the methods adopted for carrying out this new anti-Cuban activity are not only illegal and violate the sovereignty of the country and international agreements, but also create a nefarious precedent for the remainder of underdeveloped nations.

These are also the thoughts of politicians and intellectuals who have participated in various international forums. For example, the participants in the 10th Conference of the Intergovernmental Council of the Nonaligned for the Coordination of Information and Communications demanded that this project be cancelled, as they considered it an aggression against our country and an unacceptable precedent for other sovereign states.

The establishment of radio and television systems designed exclusively for subversive purposes against nonaligned countries is an act of meddling in the domestic affairs of those states. Moreover, Cuba's right to legally oppose such projects has also been recognized by the Telecommunications International Union. According to that organization's spokesperson, (Frances Lambert), Television Marti violates Article 12 of the International Board of Frequencies Registration. If this should happen, Cuba has a right to demand before that board that the corresponding permit be annulled or not granted to the United States. The United States must notify the board of its plans. So far, the United States has not done so, perhaps because it knows that it will not be approved.

U.S. Charges of Human Rights Violations Denied

FL2408012589 Havana Radio Rebelde Network in Spanish 2302 GMT 23 Aug 89

[Text] Cuba today denied U.S. charges of alleged violations of human rights and added that it was paradoxical that Washington did not show that same concern for discrimination elsewhere in the world.

Maria Elena Ferriol, Cuban representative to the UN Human Rights Subcommission, answered thus the U.S. delegation to the subcommission. The U.S. delegation accused Cuba of jailing three so-called defendants of human rights in Cuba. Using her right to rebuttal, the Cuban official explained that those persons—Elizardo Sanchez, Ivan Abi Cobas, and Hurbert Jerez—were subject to a judicial process in accordance with Article 121 of the Penal Code, and that they had not been arrested for their ideas. It seems paradoxical, she added, that the United States does not apply to itself the same methods of analysis and concern that it applies to other specific situations in the world. It is even more paradoxical, she emphasized, when its statements in this forum disclose racist positions.

Maria Elena Ferriol also pointed out that specific circumstances existed in the international scene where violations of human rights had been created by the United States. As an example, she cited the case of Panama. She said the U.S. Army is violating the right to life of the people of that country by intervening in the internal affairs of Panama and by financing groups and organizations that destabilize the national political life.

Furthermore, the Cuban representative reminded her U.S. counterpart that, with regards to domestic affairs, the United States would be better off by concerning itself with the discrimination that exists in that country against minorities such as Chicanos, blacks, and Latin Americans, in general—not to mention the living conditions of the indians in the so-called reservations. Delinquency, [word indistinct] increase in prostitution and poverty in underprivileged sectors of the American population are scourges which constitute a violation of the most basic human rights, the Cuban representative said at the United Nations.

Nicaraguan Envoy Discusses Panama Situation

FL2308154589 Havana Tele-Rebelde Network in Spanish 1150 GMT 23 Aug 89

[Interview with Gustavo Moreno, Nicaraguan ambassador to Cuba, by reporter Roberto Agudo during the "Morning Magazine" program—live in studio]

[Text] [Agudo] "Morning Magazine" has invited Gustavo Moreno, Nicaraguan ambassador to Cuba. We are going to talk about Nicaragua but we cannot ignore what we consider to be at the center of the political news at this time; that is, Panama. Who better qualified than the Nicaraguan representative to talk with you and with us about the arrogant and aggressive U.S. policy toward a small country. Nicaragua is an example of this as is Panama today.

Comrade Moreno, taking into account the time Panama has been experiencing the aggressive stand the United States has assumed, I would like to know what you believe is the only way this situation can be solved.

[Moreno] Yes, Roberto. Thank you very much for allowing me to express some of my views [words indistinct] Nicaragua, what our experience has been. We watched on television yesterday the footage on Panama and saw the arrogance and state terrorism of the United States, of the largest power in the planet, toward a small country . This truly causes great indignation.

I can't find a definite way to characterize it because so much can be said about this attitude. It reminded me of Nicaragua in 1984 when we were about to be invaded by the United States. Everybody was saying: The Yankees are coming tomorrow or the day after tomorrow. The people said firmly: Well, let's get it over with, let the gringos come. We couldn't continue with that situation, with the threat that they were coming tomorrow or the day after. It is unprecedented arrogance.

I believe gringos need to see a uniform. We had to build trenches all over the place. We handed some 300,000 rifles to the people. I believe this was the only and greatest deterrent. It is important to get the support of the world and, especially, of a number of Latin American nations. The most important thing is what you are willing to do for your own people.

I believe, without giving out recipes....[changes thought] I remember the crisis in 1984 and 1985. We had to down a plane with two CIA agents. We had to arrest two CIA agents. We had to confront them. We had to show that we were not only willing but that [words indistinct] we said we are ready, let the gringos come. But if one doesn't show the gringos this [words indistinct] I believe the Panamanian people, the Defense Forces, and the Panamanian Government have to respond first.

As I said, the support of the nations is important at this time. I consider this time to be serious for Panama and we are not seeing an appropriate stance on the part of the

Latin American peoples, of the Latin American governments, as far as support and solidarity with Panama is concerned. This arrogant and terrorist attitude of the U.S. Government needs to be protested over and over at this time.

[Agudo] By the way, speaking of arrogant and terrorist actions [passage indistinct] state terrorism noting that within the process Nicaragua is experiencing at this time—of democratization, elections, broad participation—the United States is going to continue giving aid to the contras. What do you think about this?

[Moreno] First of all, perhaps a week ago, the U.S. opinion polls themselves were saying that Mr Quayle, vice president of the United States, was not capable of assuming the U.S. Presidency in the event it was needed. This means that this Mr Quayle is (?crazy). He reminds me of [word indistinct] who was another terrorism genius. He supports the counterrevolution when the entire world, the entire world, [repeats] except the gringo guerrilla government, has supported the Tela agreements and a national dialogue in Nicaragua. The agreements say that the counterrevolution has to be dismantled and that counterrevolutionaries no longer have a role. This U.S. vice president says they are going to continue supporting the contras but, which contras are they going to continue supporting? Which contras if, according to the Central American agreement, the contras need to be dismantled?

Let me remind you that 3 days ago....[changes thought] Going back to the case of Panama and the gringo arrogance....[changes thought] Granted that in Cuba and Nicaragua we do not expect smiles from the United States but the U.S. Government has been fighting its friends. Panama is no longer a friend. Now it is Honduras' turn. The Inter-American Development Bank just froze $30 million for Honduras. This is their way of paying back the signing of the Tela agreements. The United States did not agree with the agreements signed by the five Central American countries.

What begins to be seen is that, encouraged somewhat by what is happening in Panama....[changes thought] Beware, one has to be very careful because any Latin American government can experience the same thing, fall from favor, quote unquote, with the U.S. Government if it does not agree with one decision or another. A precedent is being set in Panama and it is a dangerous one. Any Latin American government can fall from favor. [passage indistinct]

The dismantling is not optional. Repatriation is optional. They can choose between resettlement or voluntary repatriation. They can choose Nicaragua or go to another country. But those who stay—I wish they stayed in Nicaraguan territory [words indistinct]

[Agudo] I would like to ask you a last question. [Words indistinct] some time ago, the so-called Nicaraguan opposition, in its government plans for the next elections, was saying that the distribution of land was going to end, that it was going to privatize all sectors, and do away with the agrarian reform. Now it turns out that very recently it unveiled a political program that could be taken for that of the Sandinist government, including distribution of land—that is, agrarian reform—and giving everybody possibilities. What is happening? What is behind this maneuver?

[Moreno] A new directive of the Yankee embassy is behind that policy in Nicaragua. We have to always insist on the case of Panama because they want to test there what they tested in Panama. They are trying to confuse the people by saying we are going to do such and such. After 10 years of revolution, the people are aware. You cannot sell a candidate with the options of the past. It has to be a new option, a revolutionary option, an advanced option. What the Yankee embassy has done now with the opposition is sell a candidacy with the same line of the Sandinist Front.

Roberto, let me tell you a last thing that is important to consider. The United States does not realize the awareness it is creating in Latin America with those arrogant attitudes. The only thing that this arrogant attitude brings with it, as seen in that footage—I hope that it is shown in all Latin American countries and the entire world—is that enough people will become aware of what the United States, the U.S. Government and its policy are truly about.

[Agudo] Well, we do not want to take any more of the comrade ambassador's time. There is a lot of work to be done but this opinion, these views, these experiences were unique. Nicaragua knows the United States as well as Cuba does. Who else could explain better what it intends to do with Panama? Thank you very much Comrade Gustavo Moreno, Nicaraguan ambassador to Cuba, for visiting "Morning Magazine."

Malmierca, Iranian Minister Discuss Relations

LD2308180189 Tehran IRNA in English 1644 GMT 23 Aug 89

[Text] Tehran, Aug. 23, IRNA—Iran's Deputy Foreign Minister for International Affairs Hoseyn Lavasani currently in Havana discussed relations between Iran and Cuba in a meeting with senior Cuban officials Tuesday.

During the meeting other topics including mutual international cooperation within the framework of Non-Aligned Movement and implementation process of the U.N. Resolution 598 were also discussed.

Lavasani who is touring several non-aligned countries prior to the movement's ninth summit in Belgrade Sept. 4 to 7, held talks with the Cuban foreign minister Isidoro Malmierca, his first deputy, and deputy in international relations.

During the talks, the Cuban officials called for the rapid and comprehensive implementation of the Security

Council's resolution on Iraq-Iran war and stressed that the Non-Aligned Movement should become more active in this connection.

Referring to the new membership of Cuba in the U.N. Human Rights Committee, the two sides reiterated the need for putting further emphasis on ideological values of the Third World countries. They also denounced attempts of the domination-seeking powers to impose Western culture on the Human Rights committee.

Dos Santos' Remarks on Aid to UNITA Cited

FL2308203389 Havana Radio Reloj Network in Spanish 1934 GMT 23 Aug 89

[Text] Angolan President Jose Eduardo dos Santos asserted today that the Governments of the United States and South Africa continue supplying arms to the groups of the National Union for the Total Independence of Angola [UNITA] operating in his country.

At the conclusion of a meeting of eight African heads of state held in Harare, Dos Santos emphasized that the actions of Washington and Pretoria put obstacles to the peace process in Angola by providing aid to the UNITA leader, Jonas Savimbi. Two months ago, the Angolan Government and the UNITA bands agreed to use political solutions for the country. The agreement has been continuously violated by Jonas Savimbi who is still trying to fulfill his political aspirations. Lastly, the Angolan leader expressed his hope that Savimbi will listen to reason so that peace in Angola can be attained.

Last Group of Namibian Students Return Home

FL2408024489 Havana Television Cubana Network in Spanish 0000 GMT 24 Aug 89

[Text] As part of the repatriation process established by the United Nations, the last group of Namibian youths who studied in our country returned this afternoon to their fatherland.

[Begin recording] [Unidentified reporter] What have these 7 years in Cuba meant to you?

[Unidentified speaker] These years have meant a lot to me. I have learned things I could not have learned in Namibia. I think I have gained experience in Cuba, and I must share this experience with my other comrades who have not had the opportunity to study here. [end recording]

Jorge Risquet Valdes, member of the Communist Party of Cuba Central Committee Politburo, went to the airport to bid farewell to the youths. To date, over 1,400 young people who studied in Cuba have returned to Namibia. Once in Namibia, they will join the electoral process.

[Begin recording] [Unidentified reporter] How will you remember Cuba?

[Unidentified speaker] Cuba is my second fatherland and I will never forget it. [end recording]

FAR, MININT Honor FMC on Anniversary

FL2408021889 Havana Television Cubana Network in Spanish 0000 GMT 24 Aug 89

[Text] The Revolutionary Armed Forces [FAR] and the Ministry of the Interior [MININT] today paid tribute to the Federation of Cuban Women [FMC] on its 29th anniversary. [Video shows Vilma Espin, member of the Communist Party of Cuba Central Committee Politburo and FMC president, receiving a bouquet of flowers from unidentified person]

[Begin recording] [Unidentified speaker] The enthusiastic and mass participation [words indistinct] and the permanent willingness of each woman to help have contributed to the great and irreversible progress of our socialist fatherland and to the consolidation of the independence of other brother nations. We reiterate to you, and to Cuban women, our sincerest congratulations. We also wish you additional successes in the fulfillment of new tasks that will be assigned to you by the party and the commander in chief.

[Vilma Espin] The FMC came about after the war, after the triumph of the revolution. Women from all over the country had participated extensively in the struggle. So, they asked that an organization be formed to work for the revolution. Then, little by little, women began to join the various tasks such as the Armed Forces. At one time, no one would have ever thought there would have been women in the Armed Forces—this has always been a desire of women.

[Unidentified reporter] What do you think is the basic achievement of the Cuban woman in [words indistinct]?

[Espin] What is the main achievement? Well, it is precisely the [words indistinct] that has been seen in 30 years of revolution. One should compare the women of the past, who had been limited to their households, to today's women. That is to say, the success of women is based on their own participation. It is also based on the awareness women have acquired about their role in society. [passage indistinct] [end recording]

'Objects of Questionable Origin' Seized

FL2308132489 Havana Tele-Rebelde Network in Spanish 1254 GMT 23 Aug 89

[Text] Members of the National Department Against Economic Crimes of the National Revolutionary Police [PNR] have arrested citizen Vicente Garcia Mendoza, resident of Guanabacoa, Havana. Some 3,000 meters of material, rabbit furs, and lace spools, among other objects of questionable origin, were seized in his home. This individual, driver at a supplies enterprise for local industries of the People's Government in Diez de Octubre, took these articles from this enterprise's warehouse with the purpose of selling them illegally. The PNR

members also found out that the lack of administrative control in the enterprise facilitates acts such as this one. The accused man continues to be detained at the 12th police unit while the case is investigated further.

Citizens Arrested for Theft of Video Cassettes

FL2308223589 Havana Television Cubana Network in Spanish 0000 GMT 23 Aug 89

[Text] Due to the efficient work of the operations officers of the 10th unit of the National Revolutionary Police, it was possible to discover and arrest the person responsible for breaking and entering at the Diez de Octubre Community Polyclinic.

Alexis Amador Hernandez Cueto, a driver for the center, was the one who removed the 94 Sony video cassettes from the warehouse with his accomplice, Roberto Gutierrez Ordaz, the polyclinic's administrator.

After the investigations were carried out, David Rodriguez Rodriguez, (Armando Eriberto Tonson Puerto), and Abel Cabrera Jimenez were also arrested. Rodriguez and (Tonson Puerto) were the distributors, and Cabrera was an accomplice to the crime.

The police seized 3,200 pesos from Cabrera which was money he had obtained from the sale of the video cassettes. Cabrera would get 50 percent of the sale of the cassettes, under the condition that he sell all of them for 20 to 30 pesos. Rodriguez Rodriguez, one of the distributors, was involved in the commercialization of video movies and other illicit business. The police seized from Rodriguez several domestic electrical appliances, clothing, and 22 of the video cassettes from the polyclinic.

To date, the police has recovered approximately 70 videos and is still working on recovering the remainder.

Caricom

Cenac Suggests Simultaneous Reforms for Haiti

FL2308150789 Bridgetown CANA in English 1641 GMT 22 Aug 89

[Text] Port-of-Spain, Trinidad, Aug 22, CANA—St Lucia's foreign affairs minister, Neville Cenac, has suggested that Haiti pursue simultaneous economic and political reform. The chairman of the Caribbean Common Market (Caricom) standing committee of ministers for foreign affairs made that statement following a visit to Haiti last week by a party of Caricom foreign ministers.

"...There are different views on whether international aid and the solution of Haiti's many social and economic problems should be a condition for the holding of elections or should await such elections," Cenac said. "My colleagues and I are convinced—if we might venture an opinon—that there is no obvious reason why both sets of efforts, national and international development efforts, and the taking of concrete steps towards the holding of election should not be pursued simultaneously."

Cenac said the team planned to formulate and recommend measures for Caricom to help promote a close and continuing interest in Haiti's welfare. In his statement, released by Trinidad and Tobago's external affairs minister, Cenac also said that the team would suggest to Caricom governments possible co-operation to the mutual benefit of the mainly English-speaking grouping and the French-speaking state.

Cenac was accompanied by the foreign affairs ministers of the Bahamas, Jamaica, and Trinidad and Tobago.

"On the basis of the many frank exchanges we have had, we believe that we have a better understanding of developments in Haiti," Cenac said. "With regard to the democratic process in Haiti, let me say that Caricom's acceptance of the invitation of the Government of Haiti was influenced by that government's commitment that our visit would co-incide with the commencement of a process that should culminate in the holding of elections in Haiti," Cenac said.

He said the team was convinced of the capacity of the Haitian people to pursue a democratic path, including the earliest possible holding of local and national election as provided by the constitution.

"Caricom looks to the Haitian Government to fulfill its commitment to us and the rest of the international community regarding these democratic aspirations," Cenac said.

The team, during last week's exploratory visit to Haiti, met with Haitians from all walks of life, government representatives, and members of the diplomatic corps.

Haiti

Politicians Call Caricom Statement 'Meddling'

FL2308192389 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 21 Aug 89

[Excerpts] The statement by Caricom [Caribbean Common Markert] regarding the electoral calendar has made many politicians indignant. They think Caricom has interfered too far into Haitian internal affairs. They have learned from a Caricom statement that the presidential elections will be held last. The other elections will be held first. There will not be elections before 1990 and the elected president will not come to power before 1991. [passage omitted]

Several heads of Haitian political parties, unions, and human rights organizations have reacted to the statements made by the Caricom delegation at a press conference marking the end of their visit to Haiti.

Mr Luis Dejoie, head of the National Agricultural and Industrial Party, PAIN, feels Caricom has meddled in Haitian internal affairs. Mr Dejoie said that this was not the consensus reached during a meeting he had with them.

[Begin Dejoie recording] [Passage omitted] For an international authority like Caricom to tell the Haitian people that this is how elections are going to be held constitutes meddling in our internal affairs. I met and talked with them and that is not at all the consensus they found while talking to the other political leaders in the country, the unions, and all those people. They were told that elections should be held as soon as possible, and that the elections should be held in one or two steps, maximum.

I think what happened is that they must have talked to the Provisional/Permanent Electoral Council [CEP] and the government. The CEP must have told them that they were going to hold elections in 1990 and that the new government would take over in 1991. So they are going to hold elections in four steps.

That's what Avril had said, that he had taken power for 2 or 2 and ½ years because the masses did not have enough food to eat and to enable them to understand what democracy was. He said it would take 2 and ½ years for him to hold elections. This is the consensus the delegation found in the government and the CEP. It is logical that it make such a statement. After all, the government in power is an autocratic government that does not take anyone's advice. [passage omitted] [end recording]

Mr Francois Latortue, leader of the Democratic Movement for the Liberation of Haiti/Democratic Revolutionary Party of Haiti [Modelh/PRD] considers the Caricom declaration very bold. Mr Latortue thinks elections must be held as soon as possible so that the nation's situation can improve and Haiti can return to legitimacy. Mr Latortue feels the Caricom delegation's statement constitutes meddling in Haitian internal affairs.

[Begin Latortue recording] [Passage omitted] I have said that Modelh feels the presidential elections should take priority over the other elections, because the nation's economic situation is extremely serious. [passage omitted] I find the Caricom delegation's statements truly audacious, because they practically constitute meddling in the nation's internal affairs. It is up to us, the government, and especially the CEP to organize elections. In keeping with Haiti's needs, the government, in full sovereignty, should decide when to hold elections.

Caricom need not come here and teach us any lesson or tell us when we should hold elections. It is up to us, an independent people—and we have been independent for a long time—to know, taking into consideration the situation, when we should hold elections. [end recording]

Mr Rockefeller Guerre, leader of the Union of Patriotic Democrats feels that Caricom has no authority to set election dates in Haiti and that the government has no intention of organizing serious elections. Guerre feels the government is only seeking a means of staying in power as long as possible. He is not taking the dates seriously.

[Begin Guerre recording] First of all, we think this Caricom declaration constitutes meddling in Haitian affairs. We don't think the representatives of Caricom—who come from afar and know nothing at all about the problems of the Haitian people's abject poverty or insecurity—have any authority to set election dates for us.

Second, in regard to the election date that has reportedly been set—for it seems the government agrees with this—for November 1990, with the president taking office in February 1991, we think that the government now in power has no intention of organizing serious and real elections in Haiti. We think the government is only seeking a means of staying in power as long as possible to hold onto power so it can stay (?for good). The government could say it will hold elections in November, and then when November comes around, it won't hold them. Nothing tells us this government wants to hold elections.

Upon taking a good look at everything the government does, we see that it is trying to keep the same old Duvalierist regime in power, without (?Duvalier).

All the appointments they have made are all former Duvalierists. Look at all the crimes the Duvalierists have committed. There has not been one single trial. Look at everything that was done during the 30 years of the Duvalier regime. The Haitian people are demanding justice and no justice has been done. The way we see it, the government has no intentions of holding elections.

We are constantly asking for a provisional government that wants to set the nation along the road to democracy—a government of social justice that can give the Haitian people justice and reconcile the nation with itself. It is on the basis of such a government that we could be sure of having democratic, honest, elections in Haiti.

Thus, we are not taking Caricom's dates seriously. We are not taking the dates the government gives seriously. We don't believe the government is inclined or willing to organize free elections in Haiti. [end recording]

Mr Hubert de Ronceray, leader of the Mobilization for National Development [MDN] is astonished by the statements because these are foreign authorities announcing to him how and when elections are going to be held in Haiti. MDN thinks, in view of the situation, that the government is seeking to put down roots. It needs help in order to stay in power.

[Begin de Ronceray recording] We of the MDN are very surprised by this Caricom declaration from the delegation of Caribbean ministers. We are astonished at a foreign mission, authorities from other countries, coming and announcing to us how the elections are going to be held in Haiti. We are very surprised because General Avril is always saying he can't set a date for the elections because this is the prerogative of the CEP. Thus we are very surprised to now see the date for the elections being announced but not by the CEP. We see this as passiveness on the part of the authorities, who are now trying to put themselves under authorities from abroad.

MDN is greatly disquieted by the turn things are taking. The MDN sees the government of Gen Prosper Avril

seeking to take root in certain regions. It needs help to stay in power. We think that he is asking overseas authorities to help him get through this stage so that he can stay in power longer. We think that this new style they are employing here....[changes thought] It is true that Haiti has a lot to (?hope for) from Caricom. We know that Caricom has said that it is going to help Haiti with its democratic process, the Lome Accords, with technology, and so forth and we think this is good.

On the other hand, we deeply regret, and cannot accept, foreign governments coming and telling us how things should happen in our own country.

We of the MDN are denouncing this to national public opinion. We think that the government is deliberately pretending to be a flunky by waiting for foreign countries to tell it what to do. It is using foreign countries in order to do what it feels the Haitian people will not let it get away with doing. We of the MDN condemn these [word indistinct]. We think that it is very dangerous for Caricom to allow the military government to pull it into this game. This could weaken the trust the Haitian people would like to place in Caricom. [end recording]

Mr Manusi Pierre [of the CATH, Autonomous Organization of Haitian Workers] is also astonished by this declaration. He feels it constitutes meddling in Haitian affairs. He is wondering if the Caricom men were sent here to make this declaration.

[Begin Pierre recording] [Passage omitted] They said that elections should be held in 1990 and that the president-elect would take office in 1991. This is bizarre! I call this meddling [words indistinct] our affairs. I think that we native Haitians never really know what is going on. The CEP should have issued an electoral calendar, so we would know what was going to happen. It has not yet done so! It is very bizarre for these men who came from abroad, and who are not Haitians, to appear at this conference and declare that elections must be held in 1990, and that the elected government will take office in 1991. What is the meaning of this? Does this mean that these men were directed from afar to say what they said, make the statements they made? I don't understand. Many Haitian citizens, Haitian patriots, are wondering about these men's statements. [end recording] [passage omitted]

Mr Jean-Claude Lebrun of the Confederation of Haitian Workers [CTH]—formerly known as CATH/CLAT [Autonomous Federation of Haitian Workers affiliated with the Latin American Central Organization of Workers]—said the CTH met with the Caricom delegation and told it that Haiti should be under a rule of law. The Caricom delegation's presence should not be perceived as meddling in the internal affairs of Haiti but rather as being present to help to further democracy in Haiti. To Jean-Claude Lebrun, it looks as if the same situation as existed before 17 January is recommencing.

[Begin Lebrun recording] [Passage omitted] Haiti's participation within Caricom should also be dependent on Haiti's having a rule of law, a democratic government. We did see that this was indeed one of the statements they made during the press conference. However, another thing we said during our meeting with them was that, in order for their presence not to be perceived as a kind of meddling in the internal affairs of Haiti, it should be an indirect form of a certain (?type of) pressure aimed at pushing the country more quickly out of the present political crisis. It is this crisis that constitutes the Gordian knot preventing the solution of social and economic problems.

What astonishes us is: Does Caricom have the right, or is it Caricom's place, or responsibility, to come and set for us the dates elections are to be held in this country?

We of the CTH Executive Bureau, who have been meeting every day since the CTH congress ended in order to plan our entire line of politico-strategic orientation, plus all the work that needs to be done in the coming days—we have just [words indistinct] and are in fact meeting right now—were just discussing this matter. And we find that it looks as if it is the same kind of policy as existed before the 29 November elections, and even after the 29 November elections, all the way to the 17 January elections. We've seen these same emissaries from Caricom countries before for they were members of Caricom countries, even though they had not come as representatives of Caricom. However, they did come from Caribbean countries, from Jamaica and so forth. These people came and made a number of statements on television. We noticed that it was these very statements that influenced the political decision reached; that is, to hold a rigged election on 17 January, which led to the results we all know: the (?20 June) coup d'etat.

It is true that we of the CTH have not yet issued a final resolution on this matter, but we do have a very clear position on this. In the resolutions we issued during the congress, we did ask for the CEP to hurry up and publish the electoral calendar and to organize elections at all levels in Haiti quickly, in what we termed a reasonable amount of time.

Frankly, we don't understand what is happening here. Is it the Caricom men who (?are supposed to) come tell us when elections should be held or does this mean that what they said constitutes a fait accompli? Is this an answer to the expectations of Haitian people who are tired of sitting here in an eternal transition that they cannot seem to get through?

I think, in regard to this business of an elected president's not taking power in Haiti until 1991, that they have gotten into things that are none of their business. [end recording]

Mr Joseph Maxi, head of the Haitian Human Rights League, says that he (?does not want to) get involved in politics. However, his impression is that there are two aspects to the matter. This could be an international plot against the Haitian people. The second aspect could be that this might be a diplomatic way of denouncing the plan the government and the CEP were carrying out behind the backs of the Haitian people.

Mr Maxi also said that he feels that what the Caricom people should have discussed—the matter of insecurity—was not mentioned. [passage omitted including indistinct portion]

CEP Comments on Statement

FL2308163489 Port-au-Prince Radio Metropole in French 1600 GMT 21 Aug 89

[Excerpts] The big news today is that the members of the Permanent Electoral Council [CEP] have formally denied the statement made last Friday by the Caricom [Caribbean Community] delegation visiting Haiti. The delegation said that elections would be held in stages in November 1990 and that the elected government would take office in February 1991.

Thus, the Caricom ministers lied; we are continuing our touring of the provinces to collect suggestions regarding the election calendar. This is what the members of the CEP said in Jacmel. [passage omitted]

[Jacmel correspondent Pierre Nazon Boliere, in Creole] [Passage omitted] Mr Jean Gerard Pierre, secretary general of th CEP, made a statement over Radio Expres today to discuss the purpose of the CEP's visit here. [passage omitted] We will listen to what Pierre said in response to the Caricom remarks. [passage omitted]

[Begin recording] [Boliere] It seems that Caricom said that (?according to) a reliable source, elections could be held in November of 1990.

[Pierre, in Creole] Well, I don't know what source they are talking about.However, in any case, there is no source other than the CEP—which is the electoral authority; the body in charge of organizing the elections, supervising them, and proclaiming the results. Only the CEP can do this, and it is only the official position that the CEP gives that is valid, not any individual's position, or any reflections someone might [words indistinct] regardless of who says it. Understand?

We alone can set a date, and it is whatever date we set that is the official date. [end recording] [passage omitted]

Reaction to CEP Denial

FL2308203289 Port-au-Prince Radio Metropole in French 1600 GMT 22 Aug 89

[Excerpts] The denial by Jean Gerard Pierre, CEP [Provisional/Permanent Electoral Council] spokesman, against Caricom remarks on elections has dominated the news since yesterday. [passage omitted]

Hubert de Ronceray of the MDN [Mobilization for National Development] thinks the CEP members are trying to save face by denying having met with the Caricom ministers. The MDN president has reservations about the CEP denial and thinks the CEP should issue an official communique on this matter. Hubert de Ronceray calls on the CEP to publish the election calendar, which he claims the population is eagerly awaiting.

We point out that this statement was also made to Voice of America correspondent Jean Max Blanc.

[Begin de Ronceray recording] If what Caricom said is not true, they must themselves say when they are going to hold elections. [passage omitted] If they can't say it, that means they called in foreigners to come say what they themselves cannot say. Thus, we are waiting for them to now clearly say how long it will be before elections are held. This business of consultations, these tourist excursions have gone on long enough. The nation has had enough of that bluff [preceding word in English]. It is time for them to say whatever it is that they are going to say! [end recording] [passage omitted]

Reverend Sylvio Claude [of the Haitian Christian Democratic Party] says the Caricom delegation just repeated what Prosper Avril and the CEP said. They do indeed intend to hold elections by steps beginning in November of 1990. [passage omitted]

[Begin Claude recording] Avril himself said this in all his statements and particularly in the first declaration of general policy that he made. He said that elections had to be held in stages. He himself said in an interview he gave a French newspaper that he could hold elections in 2 and ½ years. [passage omitted] The Caricom men just repeated what they heard from Avril and from the CEP. Nobody sent them here to say anything at all in particular! They came to Haiti to ask the government if it wanted them to help it, technically and financially, to hold democratic elections. Now, it was the government that informed them that the elections will be held in stages, and that they will be held in 1990, November 1990, so the guy can take office in February 1991.

These men did not come here to invent anything at all! Nor did they come here to meddle in Haitian affairs! All they did was to repeat exactly what the government and the CEP told them.

Listen, everyone is accustomed to hearing the CEP talk. It does not want to set a date for elections. November 1989 is 3 months away and there is as yet no calendar.

Now, this guy [Jean Gerard Pierre] comes and denies it, saying that it isn't true, and that he didn't say that, because he knows you have short memories. You don't know things. You will rush to condemn Caricom. Why, this is a maneuver! It's not true! It is Avril who said this, the CEP who said this! (?He) has said it several times. [passage omitted]

And let me tell you something, gentlemen, regarding this business of elections in stages: Don't anyone mislead anyone. It was Avril himself who said this. As a matter of fact, he said this to me, at his house once, when I was talking to him. He said elections should be held in stages. [passage omitted]

So, no one should be talking about these men having come to meddle in Haiti. No one should heap abuse on

them. It's not true! All they did was announce to the people something Avril could not say. [end recording] [passage omitted]

We do know that at least four CEP members met with the Caricom ministers visiting Haiti. The CEP has as yet issued no official communique in denial of this affair.

In any case, CEP spokesman Jean Gerard Pierre, has denied having met with the Caricom delegation members during their visit to Haiti last week.

More Members of Labadie Youth Movement Arrested

FL2308153789 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 22 Aug 89

[Excerpts] Arrests continue in Labadie. Three youths belonging to the group called "Hang In There," which is affiliated to the Labadie Youth Movement [MJL], have just been arrested. Many other youths have gone into hiding to avoid arrest.

The three new arrests were made on Sunday. The group called "Hang In There" was rehearsing in (Labaret), third communal section of Petite Riviere de l'Artibonite, when (Saint-Justelet Cadet), (Lamar Jean), and (Sylvio Jean) were arrested by the police. Another person, (Josius Charles), managed to escape from Sergeant Alexis. (Jose Jean Meus), who went into hiding, and five other youths from the same movement—among them a 13-year-old named (Juan Guy Jean)—told us what happened and how these arrests came about. [passage omitted]

(Jean Meus) says the three men arrested are currently in prison and have been beaten by area police. Meanwhile, (Lamar) and (Sylvio Jean) were going about other, personal business when the soldiers from the Labadie outpost captured them.

However, Sgt Alexis and the soldiers did not content themselves with arresting and beating the three men. They entered the home of (Josius Charles) and took $60 from the house. They also confiscated all kinds of instruments belonging to the group. [passage omitted]

Sgt Alexis and the soldiers from the Labadie outpost are asked to return all the instruments, release the three young people they arrested, and allow the others, who are in hiding, to return without a problem. The MJL is also calling on all human rights organizations in Haiti to help them get the arrested men released. The MJL has stated its position on the arrest of these three young men:

We members of the MJL in (Labaret), which is in the third communal section of Petite Riviere de l'Artibonite, once again protest the police repression committed against area peasants and all MJL members. [passage omitted]

Once again we denounce these dishonest actions and ask the Haitian people, human rights organizations, people's organizations, and all staunch patriots to stand by our side during this hurricane that is sweeping over the peasants. Internationally, we want to make our voices heard and we denounce the abuses being committed in the Artibonite.

We ask that these men be released quickly and that their instruments be returned to them because that is how they make their living. We also want all peasants to be able to return home without fear. [passage omitted]

Car Rally Participants Denounce Dominican Guards

FL1808230789 Port-au-Prince Radio Metropole in French 1600 GMT 16 Aug 89

[Excerpts] The participants in the international Hispaniola rally returned yesterday. We remind listeners that the majority of the participants were not able to cross over into the Dominican Republic. Only five cars got across the border, and Daniel Mathurin won the first international Hispaniola rally. Here are his first statements after arriving in Port-au-Prince.

[Begin Mathurin recording] At that point, Mr Godard negotiated with the Dominicans. Luckily we met up with Mr Robert Abraham of the Movement for the Establishment of Democracy in Haiti [MIDH], who was there—I don't know, negotiating MIDH party matters or something like that. He had to call several government officials in Santo Domingo so that we would be allowed to pass, because the Dominicans have just passed a law under which a vehicle that enters through Dajabon must pass back through Dajabon when leaving the country. We ourselves entered through Dajabon but were to leave through Jimani. So, that is how I arrived. [passage omitted]

We had many problems in the Dominican Republic—first of all, in Dajabon. We had all our documents, but we were not allowed to pass. All the Dominicans crossed into Haiti with no problems, but the Haitians, who had documents, couldn't cross. [passage omitted]

However, once we got into the Dominican Republic, there were no problems. [passage omitted] We were very well treated. [passage omitted] And the police in the capital was very cooperative. But, along the border, the soldiers are very very very ill-bred. I must also thank the commanding officer of Jimani, a major whose name I don't know but who is the friend of Mr Robert Abraham of the MIDH, who took upon himself total responsibility for allowing us to cross the border. [end recording] [passage omitted]

PRD Occupies 65 Municipal Offices in Michoacan

PA2408035389 Mexico City XHTV Television in Spanish 0228 GMT 24 Aug 89

[Report by Jose Eduardo Campos]

[Text] The number of municipal offices occupied in Michoacan State continues to grow. State authorities have reported a total of 65 municipal offices occupied by members of the Democratic Revolution Party [PRD], protesting an alleged electoral fraud.

The situation has become tense at some of the municipal offices where demonstrators have seized police weapons and vehicles. Generally, a small number of people remain outside the municipal offices. However, people begin to gather if they hear a signal, such as church bells ringing, a specific number of shots, or calls through loudspeakers.

Michoacan's Government Secretary Jorge Mendoza Alvarez said that the government is acting in accordance with the law, and that preliminary investigations are being conducted in cases where municipal offices have been occupied. The charges against the demonstrators are: plundering, resisting arrest, theft, property damage, insults, and threats.

Tension is mounting again in Michoacan, this time in the interior of the state, and not in the capital.

Police Arrest 'Powerful' Drug Trafficker

PA2408034289 Mexico City XHTV Television in Spanish 0205 GMT 24 Aug 89

[Report by Rolando Medina Mendez—passages within quotation marks recorded]

[Text] One of Mexico's most powerful drug traffickers has been arrested by the Mexican authorities. Amado Carrillo Fuentes, also known as Juan Carlos Barron, was arrested by the Mexican Federal Judicial Narcotics Police.

Carrillo Fuentes worked with drug traffickers Pablo Acosta and Vicente Acosta, who were killed in an armed confrontation in Ojinaga, Chihuahua State. Since then, Carrillo took over the drug organizations led by the two Acosta brothers.

Commander Fausto Valverde Salinas, director of the Federal Judicial Narcotics Police, said Carrillo and his group are extremely dangerous.

[Valverde] "We believe Carrillo is a drug trafficker as powerful as or even more powerful than Rafael Caro Quintero or Ernesto Fonseca Carrillo. Amado Carrillo is involved in very large drug trafficking operations. In addition, he has direct connections with Colombian drug traffickers."

Carrillo opened the Northern-Central Air Taxi Company in Torreon, Coahuila State. The narcotics police discovered that the company only provided a private service and did not operate as a regular air taxi company. The planes were used to transport marijuana and cocaine.

[Valverde] "Let us look at two routes. The planes entered by Cancun. From there they proceeded to Quintana Roo, then Guadalajara, Sonora State, and finally arrived in Tijuana, which was their final destination. There is a second route that entered from Guatemala."

The police arrested Amado Carrillo Fuentes, Aviation Captain Gerardo Maciel, and Miguel Meza Lara. Carrillo Fuentes was arrested at a Guadalajara, Jalisco State house valued at over 3 billion pesos.

In addition, nine other people are making statements to the Federal Attorney General's Office. The authorities seized six weapons, two houses, three vehicles, and six small planes. The planes are a 421 Cessna plane, a P-31 plane, a 206 Cessna plane, a Lear 25-D jet, a Sableliner 80, and a Sableliner 75-A.

Cuban Book Gives Details of Ochoa Drug Case

FL2308193589 Mexico City NOTIMEX in Spanish 1942 GMT 20 Aug 89

[Text] Mexico City, 20 Aug (NOTIMEX)—The drug trafficking operations Cuban General Arnaldo Ochoa was planning, in principle, should have been carried out through the already existing channels between Colombia and Mexico. This was included in the officer's testimony before his execution.

According to the book "Case No 1/89: End of the Cuban Connection," published by the Jose Marti Publishing House a month after Ochoa and three others were executed, the Cuban officer's contacts with the Colombian mafia began in Panama.

Ochoa explained to the special tribunal that the main idea was never to conduct drug trafficking through Cuba. We thought we could get into already existing mechanisms mainly between Colombia and Mexico and not through here (Cuba), said Ochoa.

During his testimony, Ochoa admitted that he authorized his aide, Jorge Martinez Valdes, to use a Colombian passport to travel to Colombia to meet with Pablo Escobar, chief of the Medellin Cartel.

I always thought about the big business because I knew that for our purposes, or at least the dreams I had in my head, that would not yield a thing. Ochoa was referring to the illegal business dealing being conducted by Antonio de la Guardia, who was also executed.

The book, which includes the text of the proceedings against the Cuban officers, shows how since the 2d half of 1987, Ochoa's and La Guardia's contacts begin to

become regular with the active participation of Martinez Valdes, who was stationed in Ethiopia in 1977 and later traveled to Angola.

Ochoa admitted that the money produced by the drug trafficking operations was reportedly invested in Cuba by third persons and that the meetings between Martinez Valdes and Pablo Escobar were supposed to arrange this. He denied that the Colombian drug trafficker asked the Cubans to help in money laundering and what he wanted was an airport, a laboratory, and other things.

Ochoa referred to the money he had deposited at the Bilbao Vizcaya Bank in Panama. He said some came from drug smuggling operations sent to him by La Guardia and from other business they conducted in Angola through the purchase and sale of radio communication equipment.

The book also includes texts of newspaper GRANMA, official organ of the Communist Party of Cuba, saying that the La Guardia group had reportedly organized 19 operations—15 successfully—to transport marijuana and cocaine from January 1987 to the second half of April 1989.

After the failure of an operation that was going to use a ship called "Jennifer" arranged between Martinez Valdes and the chief of the Medellin Cartel, it was decided to use the Cuban air corridors. The mechanism agreed on was to transport the drug on a plane from Colombia to Varadero Beach, Matanzas Province, where the speed boats would arrive and take it to Miami.

According to GRANMA, the 1989 operations were more sophisticated because the cocaine was dropped in the ocean—in Cuban waters, north of Varadero—in neat packages with flairs attached to them and picked up by speed boats. As a result of the scandal caused by the activities of the high-ranking Cuban military officers, the Armed Forces Ministry decided—regardless of how unpleasant it may be—to shoot any vessel violating the airspace and refusing to obey orders to land and be subjected to inspection.

Country Ranks Fourth in World in AIDS Cases

PA2108170689 Mexico City THE NEWS in English 13 Aug 89 p 1

[Article by Teresa Garcia Guerra]

[Text] The Acquired Immune Deficiency Syndrome (AIDS) has killed 762 people in Mexico, and there are 1,781 registerd AIDS patients still alive, the General Board of Epidemiology disclosed Saturday.

The board said Mexico ranks fourth in the world in the number of reported AIDS cases.

The countries with the most cases are the United States with 92,719 cases, Brazil with 5,712 and Canada with 2,449 cases. According to World Health Organization figures, 157,191 people worldwide have the disease.

The board said it has reports of 2,683 AIDS patients in Mexico, with the present condition of 140 of them unknown. There were 92 new cases reported in May.

The areas worst hit by the disease are the Federal District, Jalisco, Morelos, Colima, Coahuila and Baja California.

Most of the cases are related to bi-sexual and homosexual men. In Baja California and Veracruz, infection among these two groups is 1.2 times higher than in the rest of the country, the board said.

Jalisco leads in AIDS transmitted through infected needles used for drug injections.

Twenty-five cases have been reported in nine states of infants born with the disease.

Most of the people afflicted by AIDS work in public or personal services, while workers represent 4.5 percent of the total and farmers 2.8 percent.

Sex is the chief means of transmission in adult men, the board said. Homosexuals and bisexuals represent 78.1 percent of the total of AIDS patients.

Nicaragua

Ortega Denies Granting Refuge to Traffickers

PA2408022389 Panama City ACAN in Spanish 0028 GMT 24 Aug 89

[Text] Managua, 23 Aug (ACAN-EFE)—The Nicaraguan Government today denied having granted refuge in its country to the Colombian Medellin Cartel drug lords, a U.S. news media reported.

"That is totally absurd," Daniel Ortega told ACAN-EFE in responding to a report broadcast on the "Univision" television network which reported Panamanian and Nicaraguan representatives had met with Medellin and Cali Cartels' representatives at the Omar Torrijos International Aiport in Panama City on 20 August.

The report stated that during the meeting, General Manuel Antonio Noriega's delegates granted refuge to Medellin Cartel's Pablo Escobar Gaviria and Gonzalo Rodriguez Gacha.

"The United States should be fighting drug consumption and not using drug traffickers—as they have to sell weapons to the contras—instead of trying to ruin Nicaragua's image," Ortega said.

The Nicaraguan head of state was approached at the Managua Plaza during a mass rally to celebrate the 10th anniversary of the 19 July Sandinist Youth Movement, an organization of the Sandinist National Liberation Front.

"We flatly reject that the Nicaraguan Government is linked to drug-trafficking activities," a Nicaraguan Foreign Ministry spokesman also told ACAN-EFE, and noted that this is "another absurd" lie by Washington against the Sandinists.

The spokesman strongly denied the charge, and termed it a U.S. "propaganda ploy" to "discredit" the Sandinist revolution.

"The accusations of drug trafficking against Nicaragua are nothing new. They have always tried to link the revolution's leaders to the drug trade," the source noted.

The source also stated: "That is another U.S. lie in its attempt to discredit the revolution."

Acording to the report, the heads of two Colombian mafias who presumably sought refuge in Panama and Nicaragua are included in the list disclosed today by the U.S. Department of Justice.

Party Demonstrations Need No Prior Permission

PA2408012989 Managua Radio Corporacion in Spanish 1200 GMT 23 Aug 89

[Text] As of 25 August, all political parties that will participate in the February elections can hold public demonstrations without requesting prior permission from the authorities. The parties must only notify the Supreme Electoral Council [CSE] and post bail [fianza].

CSE Secretary Dr Rosa Maria Zelaya met on 22 August with 16 political party representatives and announced this as well as other measures that have been adopted.

Opposition Leaders To Return to Country

PA2408043989 Managua Radio Corporacion in Spanish 2300 GMT 23 Aug 89

[Text] Social Christian Party members Azucena Ferrey and her brother, Roberto Ferrey Echeverri, will arrive in Nicaragua at noon on Friday, 25 August. The political leaders will travel to Nicaragua in a plane loaned to them by Guatemalan President Vinicio Cerezo. Lolita Tucker, Marta Reyes, and Mapel Lopez, who have been working for the Social Christian Party in Guatemala City, are part of the entourage that will accompany the Ferrey's. It has been reported that Roberto Ferrey Echeverri will join the National Opposition Union, UNO.

Conservative Leader on Reactivation of Party

PA2408031289 Managua Radio Corporacion in Spanish 1200 GMT 14 Aug 89

[Report on interview with Conservative Leader Hernaldo Zuniga by unidentified reporter—date and place not given]

[Text] The Conservative National Action [Accion Nacional Conservadora], which has been inactive since 1980, resumed its activities under the leadership of Hernaldo Zuniga, who announced that he has requested the party's legal recognition before the National Council of Political Parties [CNPP].

[Begin Recording] [Zuniga] It is true. It is an honor and a great satisfaction for our conservative group to pick up the flag once held by Pedro Joaquin Chamorro, founder of the Conservative National Action. The national plenum of the conservative party previously known as the Democratic Conservative Party recently issued a resolution changing the name of our political group. In other words, the conservative group I head has decided to be called the Conservative National Action Party, a name of great prestige in our country. We fought shoulder to shoulder with the late Pedro Joaquin Chamorro, who was a member and great leader of the Conservative National Action Party when he was killed. That will be our name from now on. We ask the Nicaraguan people, Nicaraguan conservatives and particularly journalists, political, economic, and social groups to identify us as the Conservative National Action Party.

[Reporter] What steps have been taken to legalize this group which has been inactive?

[Zuniga] We have appointed a legal commission which is taking the necessary actions to obtain our legal status. I do not think there will be a problem because we are not

affecting the interests of any other party. We are merely legalizing what already exists. [end recording]

Army Office Reports Contra Leader's Death

PA2308133989 Managua BARRICADA in Spanish 22 Aug 89 p 5

[Article by T. Rothschub]

[Text] Juigalpa—EPS [Sandinist People's Army] troops killed a counterrevolutionary leader known as "Cusuco" and another unidentified counterrevolutionary during a mercenary attack that took place 30 km north of La Pinuela, Santo Domingo, Chontales Department.

The EPS Public Relations Office in the 5th Region reported that on the morning of 20 August a guard patrol of the Operational Support Base in El Guayabo was attacked by counterrevolutionaries who are refusing to comply with the demobilization process mandated by the accord reached at the summit in Tela, Honduras.

The EPS patrol repelled the enemy attack, inflicted the aforementioned two casualties, and recovered two collapsible AK rifles, three knapsacks, other military equipment, and documents that helped identify the contra leader as "Cusuco."

Panama

Minister Ritter Denies Presence of Drug Lords

PA2308200789 Madrid EFE in Spanish 1858 GMT 23 Aug 89

[Text] Washington, D.C., 23 Aug (EFE)—Panamanian Foreign Minister Jorge Ritter said today in Washington that it is "absolutely not true" that two drug lords are in Panama and are being protected by the Panama Defense Forces [FDP].

Ritter, who is attending the extraordinary meeting of the OAS foreign ministers being held in Washington to discuss the Panamanian situation, said that today's release of that information "is part of the setting that the United States wants to give to this OAS meeting."

Ritter told EFE: "If the United States knew where the drug lords were and knew that they were going to fly to Panama, the least it could have done, out of loyalty to the Colombian Government that is paying such a high price as a result of drug trafficking, was to let them know. All they had to say was: There they are, catch them."

Washington "is committing a crime" if it knows where the drug traffickers are and does not say it, Ritter added.

The ultraconservative "THE WASHINGTON TIMES" reported today that the two most wanted drug lords, Pablo Escobar Gaviria and Jose Gonzalo Rodriguez Gacha, are apparently in Bocas del Toro Province, Panama, and are being protected by the FDP.

State Department spokesman Richard Boucher said that he could not confirm the information even though he recalled that Panama, under FDP Commander General Manuel Antonio Noriega, has in the past served as a refuge for drug traffickers and that Panama is a "center for the laundering of drug money and a cocaine transit point."

Aizpurua Warns of Dangers of Kidnapping Noriega

PA2308152589 Panama City CRITICA in Spanish 23 Aug 89 p 4

["Political Forum" column by Baltazar Renan Aizpurua:"The Devil's Alternatives"]

[Text] The President of the United States is playing with fire when he not only orders the U.S. soldiers in Panama to "show their strength" but also when he publicly threatens to kidnap General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces [FDP].

In the first case, Bush is seeking to psychologically terrorize our people by showing his country's ground, sea, and air power so that his colonialist intentions will be calmly accepted. The political objective of this type of terrorism is to install a docile and submissive government and then draft an agreement that will guarantee the U.S. military presence on Panamanian territory beyond the year 2000. That has been the goal sought since the destabilizing actions against Panama began. However, in order to achieve this, it is necessary to eliminate "Tony" Noriega.

That is why President Bush—who censures the Iranians, the Libyans, and the Palestinians for using violent methods in their struggle against the imperialist impositions and cried like a hypocrite when one of the U.S. hostages in Lebanon, charged with terror against the Arab patriots, was executed—is trying to convince the U.S. public and the entire world that the order to kidnap Commander Noriega is an act of justice. The terrorist action of kidnapping a military or political leader of a Third World country would have repercussions that President Bush has not thought about.

Should an attempt to kidnap Noriega take place, three things could happen:

a) The attempt would fail and several of Bush's agents, U.S. citizens, or mercenaries would die. The action would unleash a big international scandal. Bush would be seen as an international terrorist.

b) The attempt would fail and "Tony" Noriega, FDP commander and leader in the struggle for Panamanian sovereignty, would be killed. The Norieguista's popular forces would rise and carry out summary trials and executions on the streets of Panama of the "rabiblancos" [members of the Panamanian oligarchy] signaled out as traitors. A military commander who would continue the patriotic work of the leader slain by Bush would assume command of the FDP. The world would repudiate and condemn President Bush's terrorist actions, and the lives and properties of U.S. citizens would have no protection, especially in the Third World countries, but particularly in Latin America.

c) President Bush's terrorist action would be successful and Noriega would be kidnapped. This would unleash the aforementioned chain of reactions with the aggravating factor being that the international media—despite the control the United States exerts over it—would have to give front page attention to the matter and the United States and its leaders would be discredited as a result of the mistrust and suspicion that a criminal action carried out by a state unleashes. Such an action would confirm, once and for all, the policy of terrorism practiced by the United States.

This is what could happen if Mr Bush insists on playing with fire. His hands will be burned by the reaction of the Panamanian people and all peoples around the world who refuse to be slaves of Yankee imperialism.

Further Coverage on Reaction to Dialogue

PALA's Sieiro Comments

PA2408012389 Panama City Cadena Exitosa in Spanish 2228 GMT 23 Aug 89

[Report by Carlos Anel Cordero]

[Text] Ramon Sieiro, secretary general of the Labor Party [PALA] has said that in the sessions of the tripartite national dialogue, the COLINA [National Liberation Coalition] and Executive Branch delegation made several concessions to representatives of the ADOC [Civic Democratic Opposition Alliance], concessions that the opposition groups rejected. Sieiro said that these proposals included the establishment of a 50-50 government.

Sieiro said this government junta would schedule elections within a period of no more than 1 year, and that it would clarify the positions held by civilians and the military, even on the subject of General Noriega.

[Begin Sieiro recording] We feel, as part of the coalition that supports the national government, that we made concessions. We feel that the members of the ADOC did not do likewise. We are referring to the fact that concessions are made by those who have something in hand. No one can make concessions if he does not have the means to do so. In this regard, as the people know, the final proposal concerned the establishment of a provisional government in which the ADOC and COLINA forces would participate. We even mentioned—perhaps this is not in writing, but it was discussed in the dialogue—the establishment of a government, a provisional junta, that would consist of 50 percent ADOC, and 50 percent COLINA members, and that this 50 percent [the opposition] would play a very important role in the appointments of all high-level positions: ministries, autonomous institutions, mayoralties, governorships, in short, throughout the government structure.

At the beginning we discussed the possibility of holding elections within the next 18 to 24 months, which was accepted [as heard]. In addition, COLINA, and even the Executive Branch proposed that the elections be held within a year or less. This was not accepted by the ADOC members, either.

We proposed that once the provisional government was established, it should embark upon talks with the United States to bring about an immediate end to the aggression and economic sanctions against the Republic of Panama. Obviously, the ADOC members could not accept this, either, because they had not initially agreed to the establishment of the provisional junta. On the contrary, they proposed a provisional government without their participation, but they wanted to impose conditions for the selection of the government members, and they certainly could not impose conditions for the members of a government in which they were not going to participate.

On the other hand, these gentlemen presented as a sine qua non condition the withdrawal of General Noriega from the Panama Defense Forces [FDP]. In this regard, although COLINA and the Executive Branch feel that Gen Noriega is not a part of this problem—that Gen Noriega is a problem to the United States, not to this country—COLINA even proposed as a complement to its initial proposal, that among the first tasks to be carried out by the new national reconstruction and reconciliation junta would be to begin talks to clarify the relationship between civilians and the military. In other words, it would be up to the new junta, of which the opposition would be a part, to begin talks with the FDP. That was also rejected by the ADOC members. [end recording]

Sieiro said that the problems with which we are afflicted can be solved with political resolve, and that the PALA is willing to meet again with ADOC representatives to find a negotiated solution before 31 August.

[Begin Sieiro recording] The PALA—its Executive Committee and the entire party—as everyone knows, has been distinguished as a party that loves dialogue, and we believe that if there is political resolve, all the problems could be resolved in 5 minutes. Therefore, we have not ruled out the possibility that before 31 August, we will be able to sit down and continue talking with members of the opposition to reach a solution for the good of all Panamanians.

Therefore, in this phase, what we need to do is to work in a parallel fashion to form a government for 1 September. That is clearly the purpose of this meeting and of all the meetings that we will hold from now until 1 September. PALA feels that it should be a government born of the political parties, with their support. It is not possible for the government established for 1 September to be made up of notables or technocrats, when our country is facing a political problem. Politicians are needed to solve political problems. [end recording]

PDC Leader on Noriega's Remarks

PA2308192989 Panama City ACAN in Spanish 1738 GMT 23 Aug 89

[Text] Panama City, 23 Aug (ACAN-EFE)—Panamanian opposition leader Guillermo Cochez said today that the proposal made to the opposition on participating in the government, disclosed by General Manuel Antonio Noriega yesterday, is "worthless" because it did not include the resignation of Noriega.

In addition, the Christian Democratic Party [PDC], the opposition's largest party, of which Cochez is acting president, today released a communique saying that "the regime is trying to establish terror to avoid transferring power" on 1 September to the winners of the 7 May elections.

Noriega yesterday said the opposition made a "historic mistake" by refusing to accept "half of the government."

Noriega added: "It was impossible to offer them more. They were offered absolutely all."

Cochez told ACAN-EFE today, however, that Noriega "offered nothing" because, without his retirement, nothing Noriega offers could end the crisis.

Cochez added: "Noriega cannot say he offered everything to the opposition because when the opposition representatives insisted on his leaving the post of commander and despite the opposition's flexibility on how this stepping down should occur, any possible compromise bogged down."

He went on to say: "In addition, the opposition cannot accept the crumbs that Noriega offers because it is up to the people, not Noriega, to decide who is to govern the country."

According to the opposition leader, saying that the opposition committed a "historic error" by refusing "part of the government pie is an insult to the Panamanian people."

Cochez said that these remarks by Noriega "confirm the dictatorial and totalitarian nature of his regime."

Referring to newspaper reports saying the opposition could "abandon" its claim of victory in the 7 May elections, Cochez said that "this comment was informal and had nothing to do with a possible compromise."

"All possible opposition viewpoints have always said that any solution should result from respect for the people's will and from Noriega's departure."

As for the PDC communique, Cochez said the regime "threatens the democratic opposition, jails its leaders and members, tortures and murders students, forces public employees to join a paramilitary army known as the Dignity Battalions, and tries to terrorize the Panamanian people in a new escalation of violence."

Assembly To Take Measures

PA2408125389 Panama City Televisora Nacional in Spanish 2313 GMT 23 Aug 89

[Text] Celso Carrizo, president of the Legislative Assembly, has revealed that before 1 September, the Assembly will adopt necessary measures to contribute to the solution of the national political situation. Carrizo made statements regarding this and other issues.

[Begin recording] [Carrizo] On 1 September, we have to adopt some measures. We are going to evaluate the current situation and we will try to find the best solution for the Panamanian people.

[Reporter] You talk about the adoption of some measures beginning on 1 September, but how can this be when the assembly's authority expires on 31 August?

[Carrizo] Yes, it ends on 31 August, but by 1 September all Panamanians must have a positive attitude to face the days that lie ahead. We believe that as part of the Panamanian people, the legislators will also have to take measures.

[Reporter] Well, you definitely have a great responsibility. Will there be any initiatives taken by the Panamanian Assembly?

[Carrizo] We are working on that.

[Reporter] Could you specifically tell us what will be the future of the Legislative Assembly?

[Carrizo] We are reviewing the situation. We currently do not have a solution. We believe we have to review it very well. We cannot just run off and tell people what we will do. We have to think, we have to review the situation and seek the best solution for all Panamanians.

[Reporter] Is the analysis of the situation being done with opposition legislators?

[Carrizo] We are doing it informally and opposition legislators are participating in the analysis.

[Reporter] What can Panamanians expect regarding the future of the Legislative Assembly?

[Carrizo] We always keep the people in mind when taking any measure.

OAS Asked To 'Isolate' Noriega

PA2308230989 Buenos Aires REUTER in Spanish 2218 GMT 23 Aug 89

[Report by John Reichertz]

[Excerpts] Washington, 23 Aug (REUTER)—The Panamanian opposition today urged the OAS to take new measures to isolate military leader Manuel Antonio Noriega, including suspension of Panama from the hemispheric organization.

Opposition leaders said that Noriega's refusal to leave his post thwarted the OAS attempt to begin a transition to democracy in Panama.

Opposition leader Ricardo Arias Calderon said: "I contend that the sole obstacle to a solution to the Panamanian crisis is General Noriega's refusal to set a date for his departure." [passage omitted]

Arias, who was a candidate for vice president on the opposition ticket, said that 1 September will arrive without real changes in Panama, although it will highlight the fact that the nation is governed by a military dictatorship headed by Noriega.

During a press conference, Arias urged OAS members to increase the diplomatic and economic isolation of Noriega. He added that he favors suspension of Panama from the organization but that he does not believe the OAS will decide to do this.

The opposition leader expressed special concern over the deterioration of the status of human rights in Panama since May. He said that over 200 opposition activists have been arrested, that many of them have been tortured, and that all independent news media have been closed.

"Regardless of what the OAS decides, it is of primary importance that some measure be taken with regard to the Panamanian people's human rights, which might be curtailed even more dramatically once the present OAS meeting is over," Arias said.

Arias asked the OAS to send a special human rights mission to Panama for an extended visit.

National Institute Student Center Attacked

PA2408012589 Panama City Cadena Exitosa in Spanish 1700 GMT 23 Aug 89

[Text] The principal of the National Institute described the situation resulting from the 22 August afternoon attack on the student union center as dangerous. Professor Ernesto De Leon pointed out that the school and Education Ministry authorities will conduct a joint investigation into the attack. The principal explained that at approximately 1100 on 22 August his office routinely inspected the center in view of the constant rumors that it contained subversive material.

Our reporter Maribel del Carmen Saldana also has this report:

[Begin recording] [Saldana] Lenin Leon, secretary general of the Federated Association of the National Institute [AFIN], told Radio Exitosa that the student center was attacked.

[Leon] We have called the national press to report on the attack against the AFIN center on the afternoon of 22 August by individuals who are not students. We want to make this public statement, as we are somewhat surprised because on 22 August the principal's office notified us that the Education Ministry had ordered a search of the center, on the grounds that there was subversive material. The student center was searched, and nothing was found. After that, unidentified individuals broke into the center. In addition to ruining some of the material that was inside the office, they scribbled a death threat against the AFIN leadership.

[Saldana] In view of this attack on the National Institute student center, we would like to know what you are planning to do?

[Leon] We have discussed this action, first of all, as an act of provocation. Therefore, we have decided not to fall prey to them and remain alert to any calls made by AFIN. [end recording]

Priest Jaen on Need for Change in Military

PA2308140989 Panama City PANORAMA CATOLICO in Spanish 20 Aug 89 p 7

[Article by Jesuit Priest Father Fernando Guardia Jaen]

[Text] Everything comes to an end, and so this series of articles on the 7 May elections comes to an end with this epilogue.

On 7 May, the Panamanian people said: No to continuity! In my articles I have tried to explain what this means. I have tried to point out why the people rejected continuity and why the people voted for a change.

The basis for this series of articles has been the stand adopted by the Panamanian Bishops' Conference. When I began to write the articles, I wanted to stress what the bishops had said, so their teachings would not be forgotten.

As I continued working on these short articles, week after week, I have been asking myself why I insisted on proclaiming that 7 May is a historical date, why I insisted that the 7 May results should be respected.

I certainly have no party interests. "Some win, others lose..." but I feel that something more than a struggle among political parties is at stake.

What has moved me to write is my conviction that, once and for all, the Panamanian people must establish the credibility of the elections. The electoral fraud required many accomplices. That is why I am convinced that 7 May was the opportunity for all Panamanians to say: No more electoral fraud.

In the past weeks I have written of the moral values and the ethical criteria applied to politics. I hope that my articles will not be words that will go unnoticed.

When the Panamanian people voted no to continuity, the people also said no to militarism. Militarism has been hovering over Panama with its oppressive force since 11 October 1968. The normal operation of justice was suspended as of that date. Without proclaiming it, capital punishment was established. The examples are public knowledge. To say no to militarism on 7 May was to say yes to justice and to a de jure state.

Panamanian militarism has been allied with the United States. It signed an alliance with the United States. That alliance is called the Torrijos-Carter treaties. The Panamanian Army was strengthened as a result of that alliance in order to defend the Panama Canal in the year 2000.

However, there are two fallacies here that must be explained: the defense of the canal and Panama's capability of defending the canal.

The existence of the Panama Defense Forces [FDP] is based on these fallacies.

They are fallacies because the canal cannot be defended. In the event of war, any power outside the continent can wipe it out by firing one missile.

They are fallacies because the FDP does not have the capability to defend the canal in the event of a conventional war. It has no sea or air power, nor does it have the power of an army. The Panama Canal does not make enough money to pay for its military defense.

If it were necessary to defend the Panama Canal, and if it were possible to militarily defend the Panama Canal, then we would have to find who could defend it, since we—the sovereign people of Panama—are the ones who decide. The famous "joint command" system, the alliance with the United States, would be rejected in view of the negative results we have had so far. We could call for a dialogue with the UN Security Council. An international force would be the guarantor of the genuine neutrality of the canal, which would guarantee its use for all nations and its defense. That international force would respect the sovereignty of the people of Panama and its self-determination.

The operation of the canal—crossing a ship from one ocean to the other— would be handled by a canal authority capable of efficiently and responsibly managing the tremendous enterprise of the canal without falling into the temptations of the entrepreneurs with outrageous ambitions for excessive profits, or the bribery and extortions of the government entitities that are inept, inefficient nests of parasites.

These and many other national problems are pending. However, the system established on 11 October has failed. It is necessary that the military accept going back to their garrisons and waiting for a role to be assigned by the People's Party, which is the sovereign ruler of this state.

On 7 May, the people of Panama made a decision. No to continuity! Yes to justice! That will prevail! Custom-made legality will yield to the truth and legitimacy. We are the builders of peace; all contribute to strengthen the foundations that are justice, truth, freedom, and love. (14 August 1989)

Commentary Notes Differences in OAS Resolutions

PA2408014089 Panama City Domestic Service in Spanish 1645 GMT 23 Aug 89

[Station commentary]

[Text] On 17 May, the OAS held a foreign ministers meeting called by the United States through the Venezuelan OAS representative and issued a meddling resolution in which it expressly mentioned Panamanian domestic affairs, which only concern Panamanians.

The empire's leaders were pleased with the 17 May OAS resolution. They harbored hopes that the multilateral formula to solve the Panamanian problem would favor them.

Months later, specifically on 19 July, the OAS issued a second resolution on the Panamanian issue. On that occasion, however, the OAS based its resolution on a report presented by the OAS foreign ministers mission sent to Panama to seek,—I quote, formulas of agreement, unquote,—among Panamanians in order to solve the political crisis. The form and substance of the second OAS resolution were different from the first one. Why? The reason is simple. The OAS special mission comprising the Ecuadoran, Guatemalan, and Trinidadian and Tobagan foreign ministers, as well as the OAS secretary general conducted an on-site review of everything that happened during the election process, which led to the annulment of the 7 May elections.

The OAS mission also witnessed the meddling actions carried out in our territory by the U.S. Army troops, who are illegally stationed along the canal banks, as well as the many invasions disguised as military maneuvers.

This afternoon, the OAS foreign ministers will meet again to listen to the second report the special OAS mission will present. This report will include information on the dialogue in which the Panamanian Government, ADOC [Civic Democratic Opposition Alliance], COLINA [National Liberation Coalition], and the Panama Defense Forces participated without reaching any agreement because of ADOC's marked intransigence.

The statement that the OAS foreign ministers will issue today—whether it is called a resolution or a declaration—will be based on the report the OAS special mission will present. It seems that the statement is subject to pressures from the Bush administration to make it favor the Panamanian opposition. According to international press agency reports, I quote, Washington is increasingly concerned about the future and viability of the OAS, unquote.

The United States has made the payment of its debt with the OAS contingent upon the results of the OAS Latin American and Caribbean foreign ministers meeting.

In addition, U.S. officials have said in private that if the OAS does not attain its goal this time, (the goal the United States is expecting) I quote, it will be clearly established that the OAS is not a viable way to make multilateral efforts, unquote, and in that case the OAS will be the great loser.

Panamanians, however, are sure that despite the imperialist pressures, the OAS foreign ministers will reach conclusions based on truth. They will not be intimidated by the arrogant attitude of those who want to impose their will supported by their economic and military

might. Any mistake that is made in the Panamanian case today will have negative effects on all of our continent's nations.

BAYANO Director Scores Telemetro Newscasts

PA2408015889 Panama City CRITICA in Spanish 23 Aug 89 pp 1, 2

[Undated letter from BAYANO newspaper director Efrain Reyes Medina to former Foreign Minister Nicolas Gonzalez Revilla, owner of Telemetro Television, Channel 13—reprinted from "the most recent issue" of BAYANO]

[Text] Nicolas Gonzalez Revilla Telemetro Television, Channel 13 Panama City

Dear Mr. Gonzalez:

Even though all Panamanians may not be aware of this, it is public knowledge that Television Channel 13 is registered as if you were the owner. The station's equipment was purchased and the permission to use the frequency was granted at a time when you maintained very close ties with General Omar Torrijos Herrera.

Gen Torrijos' friendship toward you and the trust that he placed in you led him to distinguish you with the post of foreign minister during the most decisive phase of the Torrijos-Carter treaty negotiations, and you were in this post precisely at the time the treaties were signed.

It is also true that after the demise of Gen Torrijos—who many believed was the real owner of your television station—many matters regarding the inheritance of his estate were not clarified and many investigations were not carried out to their full conclusion. Some of the most important documents were being held at the National Bank, but at the time—and for a lengthy period thereafter—the managers of the bank were individuals who today are ostentatious militants of the antifatherland sedition.

All of this information has become of current priority interest because in its newscasts Channel 13 has been transmitting reports on the illegal mobilizations of the U.S. Army that coincide with the wording of the communiques issued by the Southern Command and the U.S. Embassy.

Since you were foreign minister at the time the treaties were signed, you—more than anyone else—are aware of the scope of the rights acquired, the concessions granted, the recognitions given, the obligations incurred, and the restrictions imposed by the 1977 canal treaties. Consequently, you should be beside yourself with patriotic indignation; you should be criticizing these mobilizations. But alas, the opposite is true.

This behavior by Channel 13—which could not be adopted without your consent—compels you to clarify to the Panamanian people if you have signed an agreement—without the Panamanian Government's authorization, in absolute secrecy, and without informing any fellow Panamanian—granting the United States the rights that it claims to have, because the newscasts of the station you manage convey the impression that the United States does have the right to trample on our dignity.

Speak up, Mr. Gonzalez Revilla, and make it loud and clear, because we have come to a stage in our history in which our people have begun to comprehend that there are certain things that cannot be forgiven.

Very truly yours,
Efrain Reyes Medina

Media Review of Political, Economic Situation

PA2308183189

[Editorial Report] The following is a review of material from Panamanian and regional media related to the current political and economic situation in Panama. This review draws solely on broadcast and press reports monitored by FBIS Panama Bureau. The review covers the period from 18 to 22 August and includes some items that have been processed in fuller form.

Debate Over New Government

The OAS mission led by Ecuadoran Foreign Minister Diego Cordovez ended its mediating efforts on 21 August without achieving a negotiated settlement in the tripartite dialogue involving Panamanian Government, military, and opposition representatives. Cordovez told the Panamanian news agency ACAN that "a lot of progress was achieved and a possible solution formula was envisioned," although he did not provide any details of a specific "solution formula."

Since 18 August, Panamanian media have devoted considerable attention to various proposals for a new government, particularly to the Noriega regime plan for an interim government with opposition participation. On 21 August, ACAN reported on Foreign Minister Jorge Ritter's remarks concerning a "government junta" to be presided over by an "independent personality" and by government and opposition representatives. An earlier ACAN report cited an unidentified aide to General Manuel Noriega as saying that the junta would be formed "outside of the constitutional framework." According to the aide, the government intends to include "some major opposition leader" in the junta.

The idea of a government junta, even one with opposition participation, has been rejected repeatedly by members of the Civic Democratic Opposition Alliance (ADOC). The Panama City station Radio Exitosa on Monday carried remarks by opposition leader Ricardo Arias Calderon, who declared that a national plebiscite is "the only practical proposal that would be democratic, truly Panamanian, and perfectly viable." Arias went on

to say that the main obstacle to a political settlement "has been, is now, and will continue to be General Noriega's retention of power." On 22 August, ADOC representative Guillermo Endara Galimany denied that the opposition had any intention of joining "a dirty junta or a government junta." Speaking to Telemetro television, Endara dismissed an earlier ACAN report which said that the opposition had agreed to renounce its victory in the 7 May elections. He also said that the opposition had not set a deadline for Gen Noriega's departure, which ACAN reported would come 60 days after the formation of a provisional government.

In a rare public comment on the current political negotiations, Gen Noriega told newsmen on 22 August that the opposition had made a "historic error" by not accepting a role in the proposed government junta, noting that the opposition "could have seized all the government" using the economic power it possesses as well as support from the United States. Regarding the OAS meeting on Panama in Washington scheduled for 23 August, Noriega said that the domestic political situation is "no concern of theirs."

Under the headline "There Will Be No Power Vacuum," the progovernment newspaper LA REPUBLICA on 20 August commented favorably on a pronouncement by the executive committee of the Democratic Revolutionary Party (PRD), the main government party, that if there is no agreement on the political crisis "a government of reconciliation and broad participation will emerge." In a related development, PRD Secretary General Darinel Espino on 21 August said that the party, after supporting the dialogue and assuming a "defensive position," would now take to the "offensive" both locally and abroad. Espino urged all party members to join the paramilitary Dignity Brigade, not as a military measure but to solve "the community's social problems." With regard to the party's diplomatic efforts, Espino noted that PRD leaders recently have visited a dozen Latin American countries and have gained support for the principles of nonintervention and nonaggression in the region.

Dignity Brigade Recruitment

Benjamin Colamarco, the commander of the Dignity Brigade, reported that Committees for the Defense of the Country and Dignity (CODEPADI) have been created in governmental departments and municipalities throughout the country in order to "combat the effects of the economic blockade."

Colamarco, in a statement to Telemetro television on 18 August, said that the Brigade's recent recruiting campaign had raised membership in Dignity Battalions to 20,000 volunteers. Colamarco said that new members are now being classified so that they can be integrated in existing battalions. He noted that the battalions are prepared to engage in "irregular warfare...if serious incidents occur or if the U.S. Army South gives the order to advance against our cities."

Panama Media Developments

Telemetro Tax Case—Following last week's government takeover of the Circuito RPC Radio and Television Network, the independent television station Telemetro reported that it had reached a settlement of its own tax case with the Regional Revenue Administration. Although financial details of the settlement were not disclosed, Telemetro announced that the agreement would "guarantee the television station's economic survival and independence." Like RPC, Telemetro was required to pay taxes on films and television programs rented from foreign companies. A lawyer for Telemetro conceded that the government's tax claims had "enough legal basis." He also said that the government had the right, under certain circumstances, to appoint an administrator to protect its interests in a company with a pending tax liability. He added, however, that such measures should not be taken "to coerce or apply pressure on any company, especially not in the current political situation."

Collusion Charge Against Telemetro—Telemetro came under fire from another quarter this week as a local political newspaper accused the station of broadcasting reports on U.S. military maneuvers "that coincide with the wording of the communiques issued by the Southern Command and the U.S. Embassy." The charge of giving favorable coverage to U.S. military exercises was leveled by Efrain Reyes Medina, the director of BAYANO, an official organ of the PRD, in a letter published in the regime newspaper CRITICA on 23 August. Reyes said that Telemetro newscasts "convey the impression that the United States does have the right to trample on our dignity." Reyes called on Telemetro owner Nicolas Gonzalez Revilla, who served as Panama's foreign minister during the Torrijos government, to declare if he signed a secret agreement with the United States while in the government which grants "the U.S. the rights it claims to have."

Political Content of RPC Newscasts—Since the government's pledge on 18 August to allow RPC to cover opposition viewpoints, the network's radio and television newscasts have given roughly equal time to statements by ADOC and government representatives to the political dialogue. In its main evening newscasts on 18, 21, and 22 August (which is broadcast in parallel on RPC radio), RPC television broadcast 10-15 minute segments covering post-session remarks by dialogue participants. RPC's coverage of political events in general, however, appears to be more dependent on news agency reporting than in the past. Previously, RPC newscasts could be expected to include station interviews with prominent opposition spokesmen and businessmen as well as on-the-scene reports by station reporters. In the last several evening newscasts, these practices have been curtailed.

The Economy

Panama Official on U.S. Policy Objectives—In an address before a group of Democratic Revolutionary

Party (PRD) members last week, the Panamanian deputy minister of planning and economic policy declared that the United States seeks "the destruction of Panama's economy in order to impoverish the people, forcing them to negotiate through, and because of, hunger." Jorge Ricardo Panay told a meeting of PRD professionals that U.S. actions against Panama are aimed at "installing a new pro-U.S. government, keeping control of the canal, and above all, extending the U.S. military presence in Panama beyond the year 2000."

Argentina

Official on Talks With UK; Relations With U.S.

PY2308134889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1304 GMT 23 Aug 89

[Excerpt] Buenos Aires, 23 Aug (NA)—Foreign Relations and Worship Secretary Juan Archibaldo Lanus today admitted that there could be preliminary contacts with Great Britain before the 17 and 18 October negotiations in Madrid, although he did not go into detail on the subject. He also admitted the possibility of Foreign Minister Domingo Cavallo and his English colleague, John Major, meeting next month at the United Nations.

Lanus also denied the incompatibility of maintaining good diplomatic relations with the United States as a member of the Nonaligned Movement because it "depends on the way these things are managed."

In remarks to Radio Continental, Lanus recalled that Argentina has been a full member of that group of countries since 1973 and attended as an observer even before then. He remarked that he "did not believe" that there was any incompatibility.

Regarding Argentine-U.S. relations, the official said that "both parties have a very positive attitude" and he predicted that "this will bear fruit in the [words indistinct]. [passage omitted]

Yugoslav Press Agency Interviews Menem

PY2308135889 Buenos Aires TELAM in Spanish 0039 GMT 23 Aug 89

[Text] Buenos Aires, 22 Aug (TELAM)—President Menem said today that he "is not aware of equitable North-South cooperation" and that the nonaligned countries suffer from "a perverse international economic system that pursues only maximum profits."

"The nonaligned countries are playing an increasingly important role in the discussion of international problems," Menem said, adding that "the development of political awareness and new technologies has invalidated the concept of peripheral and central states."

Menem made these remarks during a long interview with the Yugoslav news agency "TANJUG," transcribed as follows:

TANJUG—The burden of the foreign debt is unbearable for many countries. Do you think the problem can be solved?

Menem—We do not have an Argentine solution to this universal problem. Argentina is seeking creative forms of rapprochement and resolution to the foreign debt issue and expects to continue progressing in the search for a solution in the context of Latin America. We are as interested in finding a formula as the creditors are.

TANJUG—There is an increasing tendency in the economic field to talk about equitable cooperation between North and South and about insufficient cooperation between the nonaligned and other developing countries (South-South cooperation), or about the need to strengthen it. What is your opinion?

Menem—So far we are not aware of equitable North-South cooperation, but rather a perverse international economic system that pursues only maximum profits. This system leads to problems like the one we have now with the foreign debt. I want to emphasize the need for a new international order that is able to overcome the concept of a world separated into North and South, a concept that will not accept the fact that we live in a single world. The new international economic order begins with the idea that we live in a single world and are part of a single human race.

TANJUNG—Do you think the nonaligned countries are likely to intensify their participation in efforts to solve regional crises?

Menem—The nonaligned countries' influence in resolving international problems has become increasingly stronger, because the concept of peripheral and central countries, superpowers and underdeveloped nations, and small and large countries is fading under the influence of political and technological development. The Nonaligned Movement, however, should try to adapt itself to the current situation, as industrialized Europe, Asia, and Latin America are doing.

TANJUNG—Nonaligned countries have recently been showing more interest in modernizing the movement, in adjusting it, and in its role at the international level.

Menem—I think I have already covered these issues in the previous answer.

TANJUNG—What are your expectations for the Belgrade summit? What ideas and proposals will your country submit at that important meeting?

Menem—Argentina will attend the Belgrade meeting with all humility; we have no desire to play the star, but are willing to participate constructively. Summit agendas are very flexible, and a valuable aspect is the unscheduled dialogue outside the sessions.

TANJUNG—What do you think about the fact that this is the second time that a nonaligned summit meeting will be held in Yugoslavia, under the presidency of this country?

Menem—There are situations that seem to occur by chance but are really a historical imperative. Yugoslavia has played a major role in the Nonaligned Movement; consequently, no one should be surprised that this country has agreed to host the summit for a second time. I believe that this is a gesture of sacrifice and generosity.

Domestic Trade Under Secretary Resigns

PY2408035289 Buenos Aires DYN in Spanish 2316 GMT 23 Aug 89

[Text] Buenos Aires, 23 Aug—DYN—Pablo Challu, Economy Ministry domestic trade secretary, tonight confirmed that Domestic Trade Under Secretary Antonio Malaret has tendered his resignation, which will be effective in the next few days.

Challu said that Malaret resigned for personal reasons. Malaret did not provide further details about his decision.

It should be recalled that Malaret is being tried for alleged irregularities while he was director of the National Institute for Development and Fishing Research.

Bolivia

Coverage on Government Drug Policy Statements

U.S. Troops 'Unnecessary'

PY2308035889 La Paz PRESENCIA in Spanish 17 Aug 89 p 7

[Excerpt] The government and the Armed Forces believe that the presence of foreign troops in Bolivian territory to fight drug trafficking is unnecessary. They contend that Bolivia has organizations that are capable of carrying out this task.

This statement was made by Bolivian Government officials in reply to a program designed by William Bennett, director of the U.S. antidrug policy. Bennett believes that the antidrug struggle in coca growing countries like Bolivia, Peru, and Colombia should be undertaken from a military viewpoint due to the inadequate results yielded by other programs.

In this regard, the United States has offered to send military troops to coca growing countries as well as financial aid totaling $300 million.

Interior Minister Guillermo Capobianco told PRESENCIA yesterday that "Bolivia can fight the drug trade with its own forces and institutions," thus suggesting that U.S. military aid to fight drug trafficking in Bolivia is unnecessary.

During its 4-year tenure, Capobianco said, "the government will engage in the antidrug struggle through the efforts of national institutions, the authorities, and the people."

Capobianco recalled that this position was outlined by President Jaime Paz Zamora who, shortly after assuming power, said that Bolivia can sovereignly undertake the struggle against drug producers and traffickers.

"This is the course of action we will follow during our 4-year administration as long as the president or the government does not make another decision," Capobianco added. [passage omitted]

Coca Substitution Plan Discussed

PY2308032289 La Paz PRESENCIA in Spanish 18 Aug 89 p 6

[Text] Mauro Bertero, agriculture and campesino affairs minister, has said that the U.S. Government offer to send troops to Bolivia to help in the struggle against drug trafficking will be discussed by the national cabinet and that decision on the subject will be revealed to the public at the appropriate time.

"However, I personally think that we must strengthen our forces so that they can work effectively at an exclusively Bolivian task. We also need to strengthen our institutions by increasing their funds. Such problems must be dealt with at home, by reorganizing our forces and by strengthening them as best we can," Bertero said.

The minister made these statements after he swore in Gerardo Aguirre Ulloa as under secretary for natural resources and environment, and David Montesinos as under secretary for peasant development. With Aguirre and Montesinos the minister's staff is complete.

During a news conference, Minister Bertero said that U.S. Ambassador to Bolivia Robert Gelbard had not informed him of the U.S. intention to send troops to help in the struggle against drug trafficking.

"We talked about the future, goals, and objectives of the coca crop substitution program in the Chapare and Yungas regions.

"We are interested in implementing the coca substitution plan which is in keeping with our concern over repressing the illegal activity of drug trafficking," Bertero said.

As for compulsory eradication in nontraditional coca areas, the minister said that the main reason for extending the term that expired 23 July is that voluntary eradication is better than obligatory eradication, in order to avoid social tensions that could stem from a forcible eradication.

However, the minister recalled that there are international agreements which must be maintained and that current government policy is to comply with them. "We are seeking more imaginative formulas for granting credits through state institutions to give peasants a few more months to find feasible crop options."

The minister added that only one principle must be followed in the coca substitution plan which should be reinforced by a feasible alternative. Peasants must be given a means of earning a living, he said, because it is no good to eradicate coca crops if peasants are not given the means with which to replace them. Furthermore the peasants will also need a market abroad for their new crops.

When asked if the substitution and development program has yielded positive results, Bertero explained that it takes time for a development project to take off. "I know of the progress attained already, but I believe coca eradication should be thought out carefully. We think it is more positive to plant crops that can be harvested annually rather than perennial ones, such as citrus fruits, so that peasants may avoid suffering a nonproductive period of 3 or 4 years.

Reporters reminded the minister that the crux of the peasants' problem is their difficulty in obtaining credits. He said that the government wants to strengthen the state credit agencies like the Bolivian Agrarian Bank and the Peasant Development Fund to allow the great mass of 600,000 peasants access to credits which currently only benefit 30,000 peasants.

Administration Plans To Reactivate Tin Mines

PY2308150589 La Paz La Red Panamericana in Spanish 1130 GMT 23 Aug 89

[Excerpt] Despite the low price for tin in the international market, the government intends to continue with plans to reactivate the tin mines. This is according to Carlos Alberto Zembrana, technical under secretary of the Mining and Metallurgy Ministry, who was answering a question from Radio Panamericana regarding the possible impact of low tin prices on Bolivian tin production.

Zembrana expressed concern over the negative situation, saying that it was due to stock exchange transactions and the dumping of tin by countries that are not members of the (?Tin Producers Association), such as Brazil and the PRC.

He added that the government and COMIBOL [Mining Corporation of Bolivia] plan to go ahead with the reactivation of the tin mines in Huanuni, Colquiri, Viloco, and Caracoles with the hope that tin prices will rise again to stable levels. [passage omitted]

Brazil

Coverage of Menem-Sarney Presidential Meeting

Protest Surprises Executives

PY2308141489 Montevideo Radio Carve in Spanish 0930 GMT 23 Aug 89

[Text] A cable from Brasilia has reported that a surprising and shocking incident marked the beginning of President Jose Sarney's reception for Argentine President Carlos Saul Menem.

The incident took place at the Brazilian Foreign Ministry's Itamaraty Palace where a man—who seemed to be Brazilian—mingled with reporters while posing as a member of the Brazil South Communications Network [Red Brasil Sur de Comunicacion]. Eyewitnesses have reported that the man then threw some blood-red ink on the floor in front of the two presidents and shouted: This is the blood of the Brazilian people. Out with Sarney.

The unidentified man was immediately arrested by security forces and taken to the Federal Police Department for identification and a psychological assessment. Investigations so far have not succeeded in identifying the man, who is not known to the local media.

The two presidents, although greatly surprised by the incident, later stood in line to welcome the 320 guests attending the reception.

Argentine President Gives Address

PY2408035089 Madrid EFE in Spanish 2005 GMT 23 Aug 89

[Text] Brasilia, 23 Aug (EFE)—Argentine President Carlos Menem said today in the Brazilian Congress that Brazil and Argentina cannot continue being "countries with a future merely because our grandparents said so and our children expect it."

Today at noon the Brazilian Congress held a solemn session to receive the Argentine president. Yesterday he began an official 3-day visit to reinforce the integration process between Argentina and Brazil.

Senator Severo Gomes from the Brazilian Democratic Mobilization Party and Deputy Jose Lourenco from the Liberal Front Party addresses Congress before President Menem.

At the beginning of his speech, Menem said: "There is no greater honor for a citizen of democracy than to be received in Congress." He added that each Congress member represents "the authentic sovereignty of the people."

"Our societies share the same vision of the future, the same concept of man and his dignity as the essence of government action," the Argentine chief of state said.

Menem, who sat to the right of Congress President Senator Nelson Carneiro, said that democracy "with humanist content" must ensure "the strictest respect for the fundamental rights of man."

It must also guarantee that law and justice prevail, Menem said, adding that it must preserve freedom, "the most precious asset of any society," motivate solidarity, and promote well-being and progress.

Referring to Argentine society Menem said that "democracy was preserved" and renewed through "exemplary elections," and that people have become aware of reality and the responsibility of all members of society.

He also referred to the Argentine people's responsibility for "decades of failures and futilities," adding that "now is the time to work and we know it."

But, the Argentine president said, we must also "reconstruct our society without faults, bearing in mind our past but also being reconciled." Departing from his prepared text, he recalled his own past when he was persecuted for his ideas.

Here Menem made a single partisan reference when he recalled, without being specific, the proscription of the Justicialist Party.

The Argentine president got a standing ovation in the Brazilian Congress when he mentioned the need to attain the "definite unity of the Argentine people, the consolidation of coexistence in a plural and fair society," which means "national unity."

Regarding world political processes, Menem said: "Either our people remain behind their borders limited by their nearsighted horizons, or they join the modern world."

"We want to participate in this world and actively join the flow of international trade. We want access to large markets, and we want to compete, but we want to do so under conditions different from the current ones," he added.

Menem said that all Latin American countries are facing, to different extents,the "most serious financial crisis" of their history, and that despite partial solutions the foreign debt problem is endangering social peace and democratic stability.

At the end of his speech Menem thanked Brazil for its role as mediator between Argentina and Great Britain and as representative of Argentine interests after the 1982 war over the sovereignty of the Malvinas Islands.

Upon arriving at the Brazilian Congress the Argentine president was received with a 21-gun salute. When the solemn Congress session began, the national anthems of Argentina and Brazil were played. Argentine and Brazilian Government officials and the diplomatic corps attended the ceremony.

Sarney Gives Integration Speech

PY2408010089 Brasilia Domestic Service in Portuguese 2010 GMT 23 Aug 89

[Speech by President Jose Sarney, during a ceremony signing integration protocols with Argentine President Carlos Menem, in the Eastern Hall of Planalto Palace in Brasilia—live]

[Excerpts] Your Excellency Mr President Carlos Saul Menem, ladies and gentlemen: More that a century and a half ago, a little before the historic encounter in Guayaquil, General Jose de San Martin wrote the following to General Simon Bolivar: It is time that we join hands to unite our American Continent, to struggle for the well-being of our peoples, and to demonstrate to them that independence makes sense.

San Martin's ideals are the same for all those who always wished for a prosperous Latin America. His ideals are valid and applicable to the present day. Unity has ceased to be a distant wish. It has become a categorical demand. It is the only way to break the vicious circle of dependency and to do away with the excuse that under development is cause and effect.

Our two countries are therefore firmly determined to continue this historical task with a renewed vigor. We have decided to join efforts to turn our bilateral integration into a reality. [passage omitted]

Ours is not a short-term objective. We do not want easy results, since they are not possible in a such a vast and complex task. We will have to overcome difficulties and specific obstacles. We will have to form new mentalities. We will not become discouraged or fail in our purpose since our societies are strengthened by the recovery of democracy. In all, democracy means making the legitimate interests of the majority of the people prevail. [passage omitted]

As brothers and friends, we want to share the fruits of science, culture, economic growth, social justice, just as we share democratic liberties, respect for human rights, and unshakeable faith in the future and in lasting understanding and harmony between our peoples. [passage omitted]

Mr President, we have just put into effect a treaty of integration, cooperation, and development. A new phase of doubled and decided efforts will now begin. In the next 10 years exchanges between Brazil and Argentina will be free of all customs taxes. We will have made progress in harmonizing our macroeconomic policies for development. By the end of the century, integration will have extended to every relevant field of our national lives, and the Brazilian-Argentine common market will begin to consolidate. [passage omitted]

The treaties foresee the creation of a bilateral congressional committee to be tasked with establishing guidelines for integration. [passage omitted]

Mr President, trade has always been the starting point and the base of any integration process. Brazil and Argentina have tried to take firm steps to promote and attain a significant opening of markets. Much has been done so far through each country's efforts and through the establishment of efficient mechanisms of dialogue and decision.

Trade exchange is today agile and growing, but there is an imbalance in the overall world trade. The Brazilian Government has repeatedly demonstrated that it wishes to correct these imbalances. We have always believed that the equilibrium of trade is a dynamic process, and that we must never resort to restrictive trade measures. If we did, we would be harming integration.

We have always sustained that the integration process should consolidate mutual advantages, equal opportunities, and long-term gains.

During your visit to Brazil, we made progress on the trade imbalance issue. We approved a longer list of tradeable duty-free food products. Brazil has accepted the offer of Argentine export goods free of import tax.

We made progress on decisions on Argentine turnkey projects. We decided to promote meetings seeking to extend tax preferential treatment to more export products and also to increase the amount of tradeable capital goods, which is a strategic part of our economies.

This is why Brazil has decided to accept the Argentine proposal to review the limit on interbank adjustment operations. This means that we have adopted an unprecedented decision which reflects our political will to promote integration and to cooperate as much as we can with Argentina.

In the energy field, Mr President, your visit is of unprecedented importance. I want to stress the Brazilian decision to increase the flow of the Uruguayan River so as to increase the electricity output of the Salto Grande Hydroelectric Dam, to speed up the construction works of the Uruguayana power plant, and to supply electricity to Argentina as of the first quarter of 1990.

These pacts, which would have been inconceivable in the past, have become a reality within this new context of completely fraternal relations. To these initiatives we can add other important ones like the construction of the Pichipicunleufu Hydroelectric Dam and the creation of a work group to study and implement the supply of Argentine gas to Brazil.

These projects have happened because the border communities and the governments of the Southern Brazilian states and border Argentine provinces are aware of the deep meaning of integration and wish to participate in this process with determination by presenting suggestions and by making proposals, often ahead of federal governments.

Nuclear cooperation has always been one of the most significant topics of our integration program because it

reflects an atmosphere of mutual trust between our two countries and because it plays a major role in promoting technological development.

Going far beyond international requirements for safeguards and verification, Argentina and Brazil have opened their nuclear facilities to each other. The joint work undertaken by researchers and specialized organizations from both countries are sound proof that our country has no concealed interests in the nuclear field.

The international community has become accustomed to discussing nuclear issues within a framework imposed by those countries controling a major share of world power without even considering the unprecedented course of action we are now taking. Brazil has always stated that its nuclear program has exclusively peaceful goals. Brazil is proving this fact through this integration program. We are now promoting further progress through protocol No 17 on nuclear cooperation and the formulation of a list of commodities to be traded without tariff barriers.

We are also breaking new groud. From now on, Argentina and Brazil will work together in the area of space research. We just established a consultation mechanism in this sector. We are going to start a dialogue to realistically determine how far we can go in the medium and long term.

Achievements in the space sector have a considerable impact on modern technological processes. Thus, Argentina and Brazil have made major individual efforts to further research and to improve their know-how. These efforts also require large investments, thus emphasizing the need to reach new agreements.

Brazilian-Argentine space cooperation has exclusively peaceful goals, and it will be implemented within this context. [passage omitted]

We can no longer tolerate the low prices paid for our raw materials, soaring interest rates, protectionist measures, or illegal trade sanctions. Together we will avert oligopolistic attempts at controling information, know-how, and advanced technologies. By moving on the path of integration, we will develop our potential, we will preserve our sovereignty, and we will raise Latin America to a standing in the concert of nations that will be in keeping with its highest, just aspirations.

Ahead of us is an arduous task that will require great creativity. We still have a long way to travel. This path will be full of sacrifices, but it will also be highly rewarding. The full accomplishment of our ideas is at stake.

I want to once again thank Your Excellency for visiting Brazil now that you have been inaugurated president. We are grateful for your gesture as a great public man. This is a historic moment in our relations. I am certain that working together we will be ready to meet the challenges and to contribute to fully fulfilling our people's desires for development and well-being as well as for friendship and cooperation between Argentine and Brazil. Thank you. [applause]

Sarney, Menem Sign Agreements

PY2408015089 Brasilia Domestic Service in Portuguese 2200 GMT 23 Aug 89

[Report from Planalto Palace by reporter Cristina Indio do Brasil]

[Text] Brazil and Argentina have begun the process of consolidating Latin American integration. Today was the most important part of President Carlos Menem's visit to Brazil.

This afternoon at Planalto Palace Presidents Sarney and Menem signed (?thirteen) annexes to existing protocols between the two countries in the fields of trade, energy, aeronautics cooperation, land transportation, nuclear cooperation, food industry, and financial operations.

The presidents also signed agreements to maintain the trade flow between the two countries and to reduce customs taxes mainly on food products. Furthermore, Brazil promised to make a decision within 60 days on turnkey projects to be financed by the Argentine Government. These turnkey projects include the construction of hospitals in the states of Minas Gerais, Piaui, and Mato Grosso; the reconstruction of the Sao Luis-Teresinha railway line; and an energy project in Mato Grosso.

In the financial field, Brazil has increased by $100 million the maximum limit on interbank credit [ajuste interbancario] operations between the two countries. This means that the interbank credit limit is now $500 million.

Presidents Jose Sarney and Carlos Menem also signed the 24th Brazilian-Argentine protocol. According to Ambassador Seijas Correia, Planalto Palace international affairs adviser, the protocol outlines an integration mechanism for establishing economic and social planning programs between the two governments. This does not mean, however, that the two countries must consult each other to adopt internal measures.

[Begin Seijas recording] No formal mechanism of consultation has been outlined. This will be decided in the very distant future. This mechanism has been established to harmonize the policies of the two countries and to allow each to become better acquainted with the realities of the other. [end recording]

The presidents also signed a joint declaration and exchanged documents ratifying the integration treaty. Following the ceremony, President Sarney accompanied President Menem down the entrance ramp of Planalto Palace. After bidding farewell to the Argentine president, President Sarney shook hands with some 10 people who were on the sidewalk nearby watching Menem's departure.

Menem Hails Agreements

PY2408020489 Buenos Aires TELAM in Spanish 0003 GMT 24 Aug 89

[Excerpts] Brasilia, 23 Aug (TELAM)—President Carlos Menem has said that the Argentine people "will not remain idle contemplating our past and our frustrations" but they will "step up their march toward progress and well-being." Menem stressed that integration with Brazil "will be an essential element in reaching our goals."

This afternoon Menem participated in the ceremony where new bilateral agreements with Brazil were signed within the framework of the two countries programs of integration and cooperation. Menem said that the two countries "are projecting themselves into the future with their eyes on a different and vigorous Latin America." [passage omitted]

Menem emphasized "the very important step in the technological field concerning outer space," and he added that this agreement "is also supported by a joint declaration signed by the two presidents," which "will allow us to unveil new and unexplored perspectives."

Regarding the cooperation treaty that was broadened this afternoon, Menem said: "South America will discover the innovative character of the agreements and will share the benefits of the new process." [passage omitted]

Menem said that the objective "is none other than the continuous growth of trade to benefit the two countries' economies." Menem stressed the importance of the new protocols because they are "linked to the important goal of coordinating and harmonizing the two countries' respective macroeconomic policies."

Menem concluded his message by agreeing with Sarney that "the challenge will now be greater, but we will face it convinced that we will find solutions."

Joint Communique Issued

PY2408030089 Buenos Aires TELAM in Spanish 0025 GMT 24 Aug 89

[Text] Brasilia, 23 Aug (TELAM)—Herewith the text of a joint communique signed by Argentine President Carlos Menem and by Brazilian President Jose Sarney during the Argentine president's visit to Brazil:

"During the first official visit to a foreign country by the Argentine president [as received] and at the historic time in which the Treaty for Integration, Cooperation, and Development—which was unanimously approved by the Argentine and Brazilian Congresses—is going into effect, Presidents Carlos Saul Menem and Jose Sarney have reiterated their firm, continuing support for the process of integration and cooperation existing between the two countries, and they have emphasized the significance of the following points:

"A broad participation in the integration process by all sectors of Brazilian and Argentine societies, through the mechanisms established in the Treaty for Integration, Cooperation, and Development.

"Their conviction that the treaty for integration between Brazil and Argentina will be instrumental in promoting Latin American integration, which is a priority objective shared by both countries and which makes their integration efforts significant and meaningful.

"The intensification of technological and business cooperation in advanced areas, which will define economic relations in the future and the international economic position of both countries.

"The joint declaration on the peaceful use of outer space opened a new, strategic area of cooperation, the results of which will be made available to all Latin American countries.

"The commitment by Argentina and Brazil to use and to develop nuclear energy for exclusively peaceful purposes and to further their bilateral cooperation process, which will now include the exchange of nuclear industrial products, in an atmosphere of mutual trust and respect.

"The scheduled appearance on the market in 1991 of the CBA-123 plane, which is being built by the Brazilian Aeronautics Company and by the Argentine Military Aircraft Factory, shows that cooperation in the area of high technology industries is feasible. The VARIG-Argentine Airlines agreement will markedly reduce their operational costs, and the programs in the area of computer science and biotechnology will continue to have significant results.

"Cooperation between the two countries concerning energy, namely in the area of electricity, is reflected in the Brazilian decision to increase the amount of water carried by the Uruguay River in order to increase the generation of electricity by the Salto Grande Dam and the decision to expedite the installation of the Uruguaiana converter substation with a view to generating 50,000 kilowatts beginning in the third quarter of 1990, thus seeking to mitigate the Argentine energy deficit. Cooperation is also reflected in the Argentine decision to promote the construction of the Santo Tome converter station.

"A decision has been made to determine in 90 days the basic conditions for supplying Argentine natural gas to Brazil, a project that will markedly contribute to promoting the development of the six provinces of northeastern Argentina and of southern Brazil.

"The efforts to promote regional border integration made it possible to install the Paso de los Libres-Uruguaiana and Puerto Yguazu-Foz do Iguacu border committees and resulted in an agreement to build the Santo Tome-Sao Borja bridge. These initiatives will directly benefit the communities of those regions.

"The decision to promote the Paraguay-Parana waterway project within the Plata Basin is of priority significance for achieving integration in the southern cone.

"The objective of establishing a common market by intensifying competition and efficiency in a gradual, flexible way and by seeking the expansion, diversification, and balance of trade.

"The joint list of items included in the food industry protocol has been extended during the visit,'turnkey' contracts were approved, preferential treatment will be given to the Argentine immediate offer list, and Brazil will grant a $100 million line of credit to Argentina.

"The decision to encourage the implementation of large hydroelectric engineering projects by consortiums of companies from both countries in Argentina, Brazil or in third countries, the first practical result of which will be the Pichi Picun Leufu Hydroelectric Project.

"The implementation of the Treaty for Integration, Cooperation, and Development, which resulted in the signing of a new protocol on the harmonization and coordination of macroeconomic policies and in the establishment of mechanisms for exchanging information on their respective energy programs.

"Their conviction that democracy is an instrument to guarantee social justice and to promote and defend the rights of man, that only through the consolidation of democracy will Latin America experience a durable socioeconomic growth and political stability and create the required conditions to strengthen ties among the countries and peoples of this continent."

The communique signed by the two presidents was simultaneously released in Brazil and Argentina by the respective government offices.

Chile

President Pinochet Addresses Armed Forces

PY2308222289 Santiago Domestic Service in Spanish 1620 GMT 23 Aug 89

[Speech by President General Augusto Pinochet at ceremony held at the Military School Parade Ground in Santiago to celebrate his 16th anniversary as Army commander—live]

[Text] [Pinochet's first words drowned by announcer] ....members of the honorable Government Junta and your distinguished wives; Your Excellency, the president of the Supreme Court; Ministers of state; Messr comptroller general of the nation; Messr lieutenant general, deputy commander of the Army; generals and admirals; messrs secretaries of state; senior officers, chief and subordinates; Senior and junior noncommissioned officers; soldiers:

I am deeply touched by the homage paid to me by this invincible Chilean Army, and I appreciate it very much. In this solemn ceremony, the Army wants to celebrate a new anniversary of my designation as commander in chief of the Army. This anniversary also brings back many memories to military and civilians alike.

The speech made by the Deputy Commander in chief, and the presence of each of you who represent the different units of the Armed Forces institutions, moves my spirit of service and my commitment to the future.

This celebration makes me ponder over our cause, and over the cause of all Chileans. It makes me think over the future of this proud Chilean nation.

On 11 September 1973 we assumed political power because we wanted to fulfill a political and ethical objective which could not be avoided: To guarantee the sovereignty of Chile and to recover its dignity and its identity, all of which had been undermined by the profound moral, political, social, and economic chaos built by the Marxist Popular Unity Party government.

Since that day, we military men have merely fulfilled our pledge to the fatherland that we defend it even with our lives should it be necessary. This prompts me to start this speech by paying a wholehearted homage to the martyrs of our Army who during these past years have died defending freedom. All of them were brutally murdered for merely fulfilling their duty, serving the fatherland, and protecting their fellow countrymen.

Strangely enough, those who claimed to be champions of human rights remain silent whenever a militaryman is killed and only protest when we try to bring those who engage in terror and those who direct such sinister actions before court to be tried for their crimes.

As long as I live I will never forget that among these martyrs who died defending the law are five of my most loyal subordinates. They were killed on 7 September 1986 during a violent attack against me by extreme leftists. Some politicians, who today claim to be honest men but are really not, were well aware of this plan. These martyrs died trying to protect me, like worthy members of this Army.

Their sacrifice, together with that of other heroes of our sister institutions, represents a symbol of these years of a heroic, painstaking, and constant struggle to defend Chile's future.

Gentlemen, there is also tangible evidence that the terrorists' activities are directed by international communism. Those who loyally follow its instructions represent the true root of the permanent violation of human rights in Chilean society by the so-called champions of human rights who remain silent or distort the truth.

Army soldiers: Chile is making firm and decisive progress along the institutional path that was approved by the citizenry in September 1980. My government perfected this system a few days ago with the approval of the great majority of the Chilean people.

Consequently, by sponsoring and taking the necessary steps to let the country reach full democracy, the Armed Forces have confirmed their traditional respect for the law.

This situation reminds us that since the time of our Independence the Army has, in an active, orderly, and fruitful way, contributed to organizing Chilean political life, and its interventions have always marked momentous events in the history of the fatherland.

The weapons of the Army have guaranteed our freedom and our sovereignty, while its men have generously helped to build stable governments, which have commanded respect and which have benefited everyone. In this regard, we are proud to recall that there have never been military bosses in Chile, despite the fact that this situation did happen in other parts of our continent, where the people's ideals of freedom have been frustrated.

On the contrary, in response to a call from the fatherland, many men of arms have discharged their duties in high-ranking posts, for which they received the praise and admiration of their fellow countrymen. Many of them subsequently returned to the Armed Forces.

From our military forebears we have learned to respect the republican institutions which we ourselves have helped to build by placing our sword and our life at the disposal of this noble cause.

At the same time, the strict life in the barracks has taught us to give up many legitimate personal aspirations for the sake of this service to Chile. We have also learned to respect the essential values which are the foundation of the nation, because the unyielding preservation of those values is a pillar of the fatherland.

It is the immediate duty of all Chileans to live those values and to make them yield their fruit. This is the foundation for the professionalism, sacrifice, and discipline of our Armed Forces and of our forces of order.

Along with our devotion for the noble service of the armies, the Chilean Army and the national defense institutions desire peace, order, and progress, because we know the instensity of the sacrifice that war imposes on men.

Our permanent desire for peace has been confirmed through the resolution of sensitive border problems—which shows our permanent wish to be good neighbors—and our support for cooperation, which Chile can now show to the world.

Within this context, I would like to recall that the Army has never looked at the national life like an outside spectator of a foreign process. We consider that Chile is part of us and we cannot remain indifferent to whatever happens to Chile.

Consequently, we are concerned about those trends which deny national history, which have distorted the past and the present of the armed institutions and which have distorted the objectives of the armed institutions by claiming that their only duty is the defense of our sovereign territory.

Gentlemen: What a gross misinterpretation! Those who support this position, which has developed on the basis of ignorance and under the imposition of sectarian interest, ignore the fact that in a modern society the security of a nation, which is a substantive part of the common good, should be considered within a much broader picture.

That is why the Armed Forces and the forces of order are integrated into the political society which created them and which at the same time has created a system of institutions that will insure their survival and stability.

Gentlemen, this clearly explains the main reason why the natural duty of the armed and Carabineros forces to safeguard the institutional order of the Republic was explicitly recognized, for the first time in our institutional history, in our present constitution. In fact, as I stated 1 year ago this represents a recognition of their political role in the true sense of the word.

We have thus done justice to the contribution made by the military men to the consolidation of our Republic and have clearly established the scope of the role they play in safeguarding order within our modern state.

Therefore, our mission does not end with a government term because the Armed Forces are above governments, groups, and people. The Armed Forces are permanent essential institutions of the Chilean society and we have pledged to loyally and unconditionally serve the fatherland. Therefore, we can justly demand that those who may replace us in government must strictly abide by the spirit and values of our constitution. [applause]

We have the legitimate right to expect that anyone running for the highest political office will clearly state his position on matters that directly involve the specific functions of the Armed and Security Forces and the institutional system established by our Constitution. We have discussed these matters with the honorable members of the government junta.

First, the new leadership must commit itself to respect the duties and responsibilities of the Armed and Security Forces regarding order and public security. Chapter 10 of the Constitution clearly establishes, in spirit and words, the irremovability of the current commanders in chief of the Armed Forces and the Carabineros director by virtue of Transitory Article No 8.

It is our duty to watch over the prestige of the armed and security forces; to prevent all attempted reprisals against their members for political reasons; to promote and implement all necessary measures to prevent the dissemination of the class struggle in any of its forms; to apply the weight of the law to prevent the development of terrorist actions, and penalize those responsible for it; to respect the opinions and requests for information of the National Security Council, as authorized by the Constitution; and to make sure that the general amnesty law is fully respected.

The political powers should refrain from undue intervention in the definition and application of defense policies, particularly in matters that fall under the exclusive professional responsibility of the Armed Forces such as the permanent modernization of the defensive capability of the country; the command structure and the internal organization of each institution, including policies regarding personnel, the rationalization of the Armed Forces' structures, the independence of the organic programs for drafting and training, the system for acceptance, promotion, and retirement of personnel, the planning for war contingencies, and the elaboration of logistic policies. Furthermore, the Armed Forces have the right to decide on their needs and budget requirements, and on the jurisdiction of military tribunals as established in the present Constitution.

Any political concern or desire to improve our civic-military relations should first contemplate the full acceptance of the future role of the Armed Forces. [applause]

Gentlemen, a new mentality has been consolidated among Chileans under the leadership of the Armed Forces and the Carabineros. All freedoms and essential values of mankind, including the private initiative and creative capacity of Chileans, prevail in this new way of thinking. This situation allows us to assert that Chile is at the threshold of becoming a developed country.

All this has been possible thanks to the joint efforts of all Chileans and to the assertiveness of a government that has not been carried away by ideology or by the interests of special sectors. This government has been dedicated to give loyal and selfless service to the country.

I am proud to say, as a soldier, that the military government I am proud to preside over has been able to consolidate a favorable transformation of our national life.

In effect, we have completely renewed the economic and social fabric of the country. We have made possible the reunion of Chileans with their own civic traditions and their rediscovery of a free and sovereign country.

This reality allows us to affirm that the 1973 military movement has fully achieved its objectives, and in many cases it has surpassed all expectations.

We cannot forget that in September 1973 when the Armed Forces and the Carabineros assumed the responsibility of Chile's reconstruction, our country was in ruins and Chilean society was sadly polarized into factions that were leading us toward a civil war.

The social, economic, and political conditions prevailing in this environment made peaceful coexistence impossible. The country was being pushed to a point of no return, and a situation where Chileans would have been the slaves of a totalitarian regime.

In view of this critical situation, numerous political sectors raised their voices to tell of their fears over the deteriorating situation. Certain political sectors and social organizations clamored for us to protect their humanist and Christian principles.

Today the political climate in Chile is different because we have been successful in overcoming past populist conflicts. Today we do not see the critical polarization of those days, however, some sectors still try to obstruct our path toward peace and harmony, progress and development.

On 14 December Chileans will chose from one of the following alternatives for their future: the first alternative stems from our social reality, and proposes a way of life that will permit Chileans to continue advancing through the institutional path that was recently improved by a plebiscite; the other alternative stems from a recently formed coalition of parties that not long ago occupied opposing positions. They want to return—as they themselves admit—to the dark days of the so-called Popular Unity and its tragic consequences for all Chileans.

Fellow countrymen, we have to act consciously and to accept that free peoples are the only ones responsible for their destiny, for its consequences in the near future, and for the wellbeing of future generations. It is also important to remember that order, tranquility, and progress require a healthy harmony between civilian authorities and the professional work of military institutions.

Chilean soldiers by conviction and tradition today reaffirm their commitment to continue serving the fatherland. This commitment will force us to respect and to guarantee the institutional order that was freely chosen by a majority of Chileans in 1980, and freely ratified by another majority on 30 July of this year.

Together with this promise we demand to be respected now and in the future. Those in power from 11 March 1990 will have to use all necessary tools if they are to guarantee that our mission is fulfilled.

We count on the monolithic unity of all military institutions. These are the same institutions that on 11 March will say with legitimate satisfaction that once more they have fulfilled their duty with the fatherland. These are the same institutions that did not hesitate when they saw that the fatherland was being threatened. These are the same institutions that will never allow anyone to insult any of their members over actions taken to save the country. [applause]

Soldiers, the history of our Army is the history of our fatherland. Together we will continue to write their pages with honor, loyalty, sacrifice, and even with our lives. Here, in front of each of you, members of those glorious ranks, with the flags of many battles and with God as witness, I thank you for this display of loyalty and affection. Here I will renew my sacred oath—and I demand that you do likewise—to serve Chile even with my life if necessary.

Viva Chile!

Pinochet Not Planning To Step Down Early

PY2308143689 Santiago LA TERCERA DE LA HORA in Spanish 12 Aug 89 p 7

[Text] Minister Secretary General of Government Oscar Vargas has reported that it is not true that the president of the Republic is planning to hand the government over to the interior minister before 11 March 1990.

He also denied that the chief of state had definitely decided to move into the Defense Ministry next December, adding that there was no need to worry about offices because the issue is unimportant. Vargas noted that General Pinochet uses his office at the Defense Ministry because he is still the commander in chief of the Army.

CNI Discovers Arms Cache, Arrests Suspects

PY2308160289 Santiago Domestic Service in Spanish 1030 GMT 23 Aug 89

[Text] The National Intellingece Center [CNI] has released a communique reporting that investigations into the murder of Lieutenant Roberto Zegers have led to the discovery of an arms cache in southern Santiago. The arsenal reportedly was made up of weapons smuggled into the country through Carrizal Bajo. The statement also reported that two [as heard] people were detained during the operation, and that Roberto Nordenflyght Farias—the terrorist who was killed during the attack on the Army Aviation Command officer—occupied a high-ranking position in the Manuel Rodriguez Patriotic Front. The communique added that

Nordenflyght had been directly involved in the attack on Los Quenes garrison and in the murder of Roberto Fuentes Morrison.

The CNI communique reports that a stone basement was discovered under one of the rooms of a house located at 10084 Covarubias Street. The basement was built specifically to store FPMR weapons.

A great quantity of weapons was reportedly found in the basement, including about 100 M-16 rifles, some 100 FAL rifles, and lots of ammunition. Two people were arrested during the operation: Luis Orlando Vargas Miranda, who was responsible for the construction of the basement and supervising the clandestine arsenal, and Tomas Rigoverto Flores Mellado, who supplied the material for the construction of the basement. The CNI communique adds that Andrea Fabiola Oyarzun Alvarado was also identified and detained.

CNI personnel have reported that one of the people arrested during the operation in southern Santiago tried to kill himself by jumping from the fifth floor of the Military Courts Building. While the two detained men were waiting to be questioned, Luis Orlando Vargas Miranda jumped through one of the fifth floor windows and landed on the interior patio. He was hospitalized at the Central Hospital in serious condition.

Relatives of Alleged Terrorist Doubt Suicide

PY2308195289 Santiago Radio Chilena Network in Spanish 1700 GMT 23 Aug 89

[By Reinaldo de Rios from the Station Mobile Unit]

[Excerpts] Relatives of the man who died yesterday after falling from the fifth floor of the Military Courts Building at the corner of Centeno and Alonso Ovalle Streets have expressed doubt that Luis Orlando Vargas Miranda committed suicide. Relatives of the deceased also emphatically denied that any weapon was discovered in Vargas Miranda's home at 10084 Julio Covarubias Street.

Vargas Miranda's mother-in-law Betsabe Fuentealva, 78, gave Radio Chilena details on the raid on her son-in-law's home, a raid which ended in locksmith Vargas Miranda's death. [Begin Fuentalva recording] They forced him to leave the house at gunpoint. They urged him to leave the house immediately and he did so, even though he was still partially undressed. They turned him to the wall and ordered him to lean against it with his hands up. Then, they (?pushed him from one side to the other), asking him where the weapons were, etc. How could he tell them where the weapons were if there were no weapons? [passage omitted] [end recording] This morning, Vargas Miranda's wife took all the necessary steps at the Forensic Institute and the Military Courts to recover the remains of her husband who died tragically after falling from the fifth floor of the Military Courts Building. In a communique released last night, the National Intelligence Center reported that Vargas Miranda committed suicide.

Lautaro Group Claims Holdup, Announces Campaign

PY2308144489 Santiago Domestic Service in Spanish 1030 GMT 23 Aug 89

[Text] The Lautaro Rebel Group has claimed responsibility for the holdup at the (Poliny) Children Clothes Store at 3297 Macul Street. The subversives—two men and a woman with handguns and rifles—entered the store and held the employees at gunpoint. Unable to open the safes, the subversives loaded a beige and white C-10 station wagon with childrens clothes and left in the station wagon and a Honda Accord.

In a telephone call to the press the subversives reported that the holdup was part of the "Popular September, Let Us Seize Everything" campaign being launched by the Lautaro Rebel Group.

Country's Export, Reserve Figures Reported

PY2308211489 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 23 Aug 89

[Text] Chilean exports will exceed $7.6 billion at the end of 1989. Rafael Aldunates, director of the Chilean Institute for Export Promotion, Pro-Chile, stated that this figure represents an increase of more than 600 percent over the amount received in 1973.

Aldunates said that during the first 6 months, sales abroad reached $4 billion, a 19-percent increase over the same period in 1988.

Aldunates pointed out that the income from exports has allowed the country to accumulate reserves of over $4 billion, to increase the number of jobs, and to develop the country.

Colombia

Continuing Reportage on Government Drug Crackdown

Asks U.S. To Combat Drug Use

PA2408042189 Paris AFP in Spanish 0135 GMT 24 Aug 89

[Text] Bogota, 23 Aug (AFP)—Colombia today asked the United States to launch a campaign to combat the use of cocaine and other drugs, adding that only by controlling the demand will the war on the Colombian producers succeed.

If U.S. authorities do not decide to cut drug consumption, "Colombia's sacrifice will be totally in vain," Colombian Communications Minister Carlos Lemos told foreign reporters.

Lemos stressed that the Colombian Government has not received the assistance that the international public, especially the U.S. public, believes Washington has been giving this country.

He also mentioned the possibility that the Colombian Supreme Court might declare the recent government measures on the state of siege unconstitutional.

If that happens, the government will choose other measures because it is determined to tackle a problem, namely the drug problem, that is destroying the nation.

However, Lemos reiterated the government will respect and abide by the Supreme Court rulings. "We cannot turn into outlaws to combat other outlaws," he noted.

The state of siege measures implemented on 18 August order the confiscation of drug traffickers' properties and the extradition of drug traffickers.

"These are not dictatorial measures but serve to restore normalcy," he noted.

The minister also stated that the government is sincere about its decision to extradite all Colombians sought by U.S. authorities who are arrested for their ties to drug-trafficking mafias. Lemos admitted Colombia needs greater economic and logistical help to confront the drug traffickers. However, he said an international cooperation and intelligence network must exist to achieve and maintain victories over the mafias.

He said he was confident that Colombia will eradicate drug production in an unspecified period of time, but he noted that other measures will be necessary to keep criminals from moving to other countries.

Lemos, however, totally ruled out the possibility of the presence of U.S. troops in Colombia to fight the drug lords.

Mercenaries Reportedly Present

PA2408044589 Hamburg DPA in Spanish 1928 GMT 23 Aug 89

[Text] Bogota, 23 Aug (DPA)—The Israeli Embassy in Bogota today confirmed that there are Israeli terrorists in Colombia engaged in training right-wing paramilitary groups that, according to investigations, are financed by drug-trafficking mafias.

Israeli Charge d'Affairs Michel Ronen admitted there are several Israelis engaged in that illegal activity, but warned that they do so "on their own and do not act on behalf of my government."

Moreover, this official denied that Jubiz Hazvumb, captured 22 August by Colombian authorities for his alleged involvement in the murder of Senator and presidential candidate Luis Carlos Galan, was an Israeli citizen.

According to preliminary reports revealed by the press, the suspect is an Israeli mercenary paid by the Medellin Cartel—the world's most powerful drug-trafficking mafia—that appears to be directly linked to the murders of Galan, a high-ranking police officer, and a judge last week.

Reports disclosing the presence of these terrorists in Colombia appeared several months ago when television clips showed a man giving instructions in Hebrew to a right-wing paramilitary squad.

Similar clips were broadcast by the U.S. television network NBC, prompting a communique from Jerusalem which requested Colombian authorities and Interpol to provide all information on the matter.

Acording to the Israeli official, the terrorists' actions in Colombia run "counter to Israel's policies."

Investigations by the Administrative Department of Security (DAS)—the state's intelligence corps—disclosed the links between the drug-trafficking mafias and ultraright-wing paramilitary groups.

According to DAS Director General Miguel Maza Marquez, the drug-trafficking organizations, especially the Medellin cartel, set up several "schools for gunmen" in a vast region in the interior of the country with Israeli, British, U.S. and West German terrorist instructors. Moreover, NBC warned of the presence of South Africans.

The paramilitary squads are accused of hundreds of individual murders and massacres against political and labor leaders, as well as peasants and Patriotic Union leftist militants in different parts of the country.

The authorities are accusing these squads' killers of being behind the crime wave the country has been experiencing since last week, with the murders of people known for their activities against cocaine trafficking.

Traffickers Declare War

PA2408130789 Bogota Emisoras Caracol Network in Spanish 1216 GMT 24 Aug 89

[Text] A violent offensive seems to have been launched by persons who are being sought throughout the country. Several explosive devices were placed at different sites in Medellin [words indistinct] a message, which Radio Caracol will read for its listeners:

23 August 1989

The extraditables and the people whose properties have been confiscated state the following to the Colombian people:

1. We have been asking the government for peace since the talks in Panama in 1984. A lot of violence could have been avoided.

2. We accepted the peace plan proposed by President Barco but we received no reply from the government.

3. The only reply we have received from the government has been repression, arbitrary [words indistinct] unjust arrest of our relatives, looting of our houses.

4. All kinds of juridical violations have been perpetrated against us.

5. The government has bribed justice with [words indistinct], diplomatic sinecures, and trips abroad.

6. The actions of confiscation are nothing new; they have always prevailed in our country. [Words indistinct] were unjustly arrested and imprisoned, even though no arrest warrants had been issued against them, and many of our properties and possessions were arbitrarily confiscated or usurped.

7. Colombian citizens charged with money laundering have been extradited and will be extradited, although this represents a violation of Colombian laws.

8. We always were, are, and will be willing to engage in dialogue but we will not lower our guard and we will continue our struggle and widespread war against traitors and turncoats.

9. We declare a widespread and total war on the government, the industrial and political oligarchy, the journalists who have attacked and mistreated us, judges who have been bribed by the government, the extraditing magistrates, the business organization presidents, and all those who have persecuted us in the past.

10. We will not respect the families of those who have not respected our families. We will (?kill) them, and we will burn and destroy the oligarchy's industries, properties, and mansions.

(Signed) The Extraditables.

Four Bomb Attacks in Medellin

PA2408155389 Paris AFP in Spanish 1500 GMT 24 Aug 89

[Text] Bogota, 24 Aug (AFP)—Police in this capital today reported that four bombs exploded in the city of Medellin early this morning, killing one man and causing damage estimated in the millions to two political party offices and to the country homes of two political leaders of Antioquia Department, 500 km northwest of Bogota.

Jose Oscar Marin, 32, was killed when 20 kg of dynamite exploded at the headquarters of the New Liberalism Party, whose leader is the recently murdered senator and presidential hopeful Luis Carlos Galan Sarmiento.

A second bomb exploded at the headquarters of the opposition Social Conservative Party, also located in downtown Medellin, causing severe damage.

The police said that the country homes of leader Ignacio Velez Escobar and former cabinet minister Edgar Gutierrez Castro in Sabaneta and El Retiro municipalities, respectively, Antioquia Department, were similarly attacked by the terrorists.

In its initial report the police admitted that the wave of bombings could be linked to the government's week-long nationwide offensive against the drug trafficking mafia.

Judicial Strike Lifted

PA2408015589 Bogota Inravision Television Cadena 1 in Spanish 0010 GMT 24 Aug 89

[Text] Judges and judicial employees today lifted the strike they began on 17 August following Magistrate Carlos Valencia Garcia's murder.

The decision was made in exchange for the government's acceptance of 10 points, the most relevant being the establishment of security systems for judges and their families, a special system of pensions, and a commission's meeting with President Virgilio Barco.

Meanwhile, most of Bogota's Higher Court members who resigned are still awaiting a reply from the Supreme Court of Justice.

Drug Financial Figure Arrested

PA2308172089 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 23 Aug 89

[Text] Eduardo Martinez Romero was arrested as a result of recent raids by the authorities. He is accused of being one of the Medellin Cartel's main money launderers. In statements to the media, Martinez has admitted he laundered money but claimed he had nothing to do with drug traffickers. Martinez, 35, is the financial head of the Medellin Cartel but claims that he works in real estate. He was arrested at a luxurious farm between his native Sincelejo and Tolu, in Sucre Department. Martinez said that through a magazine, he learned that the U.S. Justice Department is accusing him, along

with Pablo Escobar and Jorge Luis Ochoa, of bypassing banking controls to hide more than $1 billion in drug trafficking money.

The DEA [Drug Enforcement Agency] describes this economist as the Medellin Cartel's finance minister and has been after him since 1986. He was about to be caught in Panama at the beginning of 1989, but managed to escape in a boat bound for Turbo, Uraba, Antioquia Department. On 17 August he arrived in Medellin from Corozal accompanied by his wife, Oneida, and their four children. He ran out of luck on 21 August at his Torbecillas farm, where he was captured and taken to the DIJIN [Directorate of Judicial Police and Investigations] in Bogota. He may thus become the first drug trafficker to be extradited to the United States following the government's latest measures.

This is how Eduardo Martinez replied to reporters about his links to the Medellin Cartel:

[Begin recording] [Reporter] Are you aware that you have been charged with drug trafficking in the United States?

[Martinez] Yes, but for money laundering, not drug trafficking.

[Reporter] What can you tell us about this?

[Martinez] I have nothing to say.

[Reporter] Where do these charges stem from then?

[Martinez] What?

[Reporter] Where do these charges stem from?

[Martinez] I imagine these are charges that must be proved. We all have to prove whether we are guilty or innocent. This is what the law says, no?

[Reporter] What do you do for a living?

[Martinez] What?

[Reporter] What do you do for a living?

[Martinez] I am in the real estate business.

[Reporter] Where do you live?

[Martinez] In Medellin.

[Reporter] Where in Medellin?

[Martinez] What?

[Reporter] Where in Medellin?

[Martinez] In El Poblado neighborhood. [end recording]

Drug Raids, Arrests Continue

PA2308202389 Bogota Inravision Television Cadena 1 in Spanish 1740 GMT 23 Aug 89

[Text] The government's struggle against the drug cartels continues. The operations carried out by the authorities in Medellin have resulted in 70 raids. Houses, farms, discotheques, and apartments reportedly owned by Pablo Escobar Gaviria have been seized by the authorities; 921 persons have been arrested, 2 of whom face charges that merit their extradition.

The offensive launched by the military authorities against drug traffickers throughout the country has been particularly effective in Antioquia Department. Hours after learning about the measures adopted by the government to counter drug traffickers, regional authorities launched a large-scale plan to carry out raids and confiscations, and to set up road blocks.

Twenty-two properties—including farms, discotheques, buildings, and restaurants—were seized under the charges that they were owned by members of the Medellin Cartel. The most outstanding cases include the Monaco building—which was almost destroyed during a dynamite attack last year, was being repaired, and had practically been restored to its former splendor—Gama building, International discotheque, Cama Suelta discotheque Fortaleza del Lauro discotheque, and Don Mateo discotheque, undoubtedly the most luxurious in the city.

Several farms were also seized, including the El Bizcocho Farm, where several weapons caches were found, and the Las Aguilas Farm, because the value of its furniture and appliances surpass 3 billion pesos. The main characteristic in all the confiscated properties is their luxury and eccentricism, thus making their total value incalculable.

The authorities also seized weapons, vehicles, and communications equipment. The first report indicates 921 persons were arrested but the figure could be higher, given the operations carried out in recent hours. The arrested persons include two who reportedly face enough charges to guarantee their extradition.

Meanwhile, another person has been arrested in connection with international drug trafficking operations. She is Ana Elena Beatriz Rodriguez, who is the third extraditable person sought by U.S. authorities in connection with money laundering. She was captured in Cartagena.

The Colombian Army's raids on properties reportedly owned by drug traffickers still continue. Two new farms located within the mountain range in Palmira Municipality jurisdiction were recently seized by the Armed Forces. La Ruiza Farm, a synonym for ostentation and luxury, is a recreation center owned, according to the authorities, by Ramiro Correa. People visiting the farm could enjoy the pools, surrounded by luxury rugs, jacuzzis, a tennis court, bars, exotically decorated bedrooms, and a fountain in the middle of the living room.

The authorities seized a sizeable amount of weapons, communication equipment, bullet-proof vests, ammunition for rifles, grenades brought from Israel, military uniforms, and infra-red sights—which not even the Army has—at El Rosal Farm, located in the area of Potrerillos. The authorities also seized motorcycles smuggled into the country. Most of the valley was visible from a lookout tower, probably for security reasons or for entertainment purposes. The main attraction at the farm were trained high-stepping Colombian horses. The owners of these farms have yet to be arrested, and there is still no information on their whereabouts. The value of these properties is calculated in more than 100 billion pesos.

The authorities continue to deal blows to the drug traffickers in Atlantico Department. Bernardo Londono Quintero, a native of Pereira and accused of being a member of the Medellin Cartel, was captured early this morning north of Barranquilla. The authorities are currently investigating Londono's activities because he is apparently sought by the U.S. authorities. Furthermore, the Barranquilla authorities have arrested Alberto Orlandes Gamboa, a 34-year-old native of Barranquilla who is considered another extraditable person. The authorities confiscated his wine-colored Toyota land cruiser and a Browning 9-mm pistol. Several raids are currently under way in northern Barranquilla at residences presumably owned by drug traffickers.

Further on Trafficking Raids

PA2408030489 Bogota Inravision Television Cadena 1 in Spanish 0020 GMT 24 Aug 89

[Report by Maribel Osorio from Medellin]

[Text] In Medellin, 800 policemen joined the operations that are being carried out by the Colombian Army's 4th Infantry Brigade and the police in Antioquia Department.

In the metropolitan area of Medellin, 11 properties were seized, including the El Consul Farm owned by Carlos Correa Arroyave, better known as Caliche Correa. The El Consul Farm includes a horse farm that has horses valued at 200 million pesos. The horses are kept in carpeted stables.

The authorities discovered a control or surveillance tower at La Chamita vacation residence owned by Jose Luis Alvarez [not further identified] in Copacabana. The luxurious residence contained much electronic equipment.

The Medellin Metropolitan Police have prohibited access to the 11 seized properties until their owners show the National Narcotics Council how the houses were purchased.

During the intense police operations in Sucre Department, the Nicaragua, Nuevo Oriente, Zispataca, La Aguada, Barranquillita, Los Codos, La Pandora, Manchuria, Macumba, Los Morros, Santillana, and Torrecillas Farms owned by Eduardo Martinez, the Medellin Cartel comptroller who is under arrest in Bogota, were raided by the authorities.

At five of these farms, the authorities found airstrips and one heliport. In addition, the police confiscated 8 vehicles, 2 yachts, and over 12 short- and long-range weapons. The most striking element in all these farms is the lavish way they were built and furnished.

Meanwhile, the police, DAS [Administrative Department of Security], and the Navy Infantry Riflemen Battalion were getting ready to raid another 15 large properties in Sucre Department.

Approximately 800 members of the Medellin Metropolitan Police continued Operation Sovereignty today. Thus far, the police have raided 46 houses throughout the metropolitan area, conducted 114 searches of stores, seized 71 cars equipped with telephones, and impounded 172 other vehicles in downtown areas.

In 1 day, the number of people detained only in the urban area of Medellin rose from 61 to 95.

In various raids, the police confsicated 30 beepers, 20 weapons of various calibers, ammunition, and two-way radios.

La Maria Farm, on Farolito Hill, Envigado Municipality, is another of the properties seized by the Medellin police.

The most expensive goods found at La Maria Farm include 76 Colombian-bred horses and 18 classic automobiles from various countries.

Liberal Party Councilman Dies From Bullet Wounds

PA2408020189 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 24 Aug 89

[Report by Lucia Esparza Baena]

[Text] The New Liberalism movement is still in mourning. The death of Soacha Councilman Julio Cesar Penaloza has been added to the list that includes Luis Carlos Galan's name. The councilman was on the stand with the Liberal candidate when the terrible attack took place.

Councilman Julio Penaloza was very happy on 18 August because he had managed to organize the big political event for Galan. He did not imagine it would be his last work. He fell—fatally wounded—along with the Liberal leader. Julio Penaloza fought desperately for life for 5 days before finally succumbing to a bullet wound to the head. His followers immediately went to the streets to mourn him and to accompany him on his last journey. The councilman was 36 years old and lived in Soacha. Penaloza had spent his last 11 years engaged actively in

politics and was the principal of a school in Soacha. He had joined the New Liberalism movement 7 years ago, and he was supported in this endeavor by his wife, Gloria. His wife and two children survive him. The Soacha mayor has prohibited the sale of alcohol until next Friday, 25 August.

Former Minister New Liberalism Candidate

PA2408021689 Bogota Inravision Television Cadena 1 in Spanish 0009 GMT 24 Aug 89

[Report by Ana Sofia Giraldo]

[Text] Former Government Minister Cesar Gaviria Trujillo was unanimously proclaimed today presidential candidate for the New Liberalism [movement within the Liberal Party].

Gaviria, who became one of the major contenders for the Presidency overnight, spoke today.

Gaviria experienced one of the most important moments of his political career when he was nominated candidate of the New Liberalism movement. It is also perhaps one of the most difficult times in his personal life because he received the banners of Luis Carlos Galan, who was killed last Friday. He said the death of the leader cannot be used to eliminate the system of consulting with the people, which was his greatest political achievement. He said former President Julio Cesar Turbay Ayala is willing to issue special a resolution to allow the registration of the new candidacy.

[Begin Gaviria recording] If you all support me in this effort, in the midst of this great responsibility, in the midst of the crisis in our institution that is endangering our democracy, I am sure just as you are that we are going to be successful. I am not talking about the elections, but I am talking about making Colombia successful. Luis Carlos Galan will guide us from heaven so that we can make Colombia better. [end recording]

He said that even though he is afraid he will still go out to public places to fight terrorism. He said he is willing to respect New Liberalism's rules of the game. Gaviria will now have full authority to appoint members of his campaign.

Even though it was not easy for some of Galan's friends to accept the new leader of their movement, they know that Galan is no longer here, and Gaviria is the new leader.

Londono Says Mission 'Did Not Fail' in Panama

PA2308162289 Madrid EFE in Spanish 2043 GMT 22 Aug 89

[Text] Bogota, 22 Aug (EFE)—Colombian Foreign Minister Julio Londono said today in Bogota that the OAS ministers appointed to mediate in the search for a negotiated solution to the Panamanian crisis "did not fail in their mission."

Londono left for Washington today where he will meet, during an extraordinary meeting to be held tomorrow, with the 31 OAS foreign ministers who will evaluate the results of the mediation aimed at achieving an agreement between the Panamanian Government and the opposition.

The Colombian foreign minister said that the OAS did not fail because it did get the parties in conflict to sit down and talk and it also created an awareness of the fact that the Panamanian crisis must be confronted and solved by the Panamanians themselves.

Londono said that the foreign ministers will present their report to the OAS tomorrow, and then, he stated, we must wait for the organization to make the pertinent decisions by consensus.

The Colombian minister stressed that, in any case, the OAS "is not authorized to adopt solutions" because only the interested parties can do that.

Ecuador

Borja Addresses Nation on Independence Day

PA1708205489 Quito Domestic Service in Spanish 0036 GMT 11 Aug 89

[Speech by President Rodrigo Borja on the occasion of Independence Day from the National Congress Building in Quito—live]

[Text] Mr Vice President of the Republic, Mr President of the Supreme Court of Justice, Mr President of the honorable Court of Constitutional Guarantees, Mr President of the honorable Supreme Electoral Tribunal, ministers of state and members of the expanded Cabinet Council, His Excellency the apostolic nuncio and the dean of the diplomatic corps, ambassadors accredited by the national government, commanders of the National Armed Forces and of the National Police, Mr Vice President of the National Congress, honorable legislators, high-ranking civilians and members of the military, ecclessiastical and police authorities, business leaders, representatives of international organizations, ladies and gentlemen: [applause]

I will comply with the republican duty of informing the National Congress and the Ecuadoran people of the work being performed during my 1st year of government. I am not obliged to report my actions to anyone except to the people who elected me president and to the government branches that, by constitutional mandate, have the power to judge my conduct.

I think that one of the wisest ideas that has been consolidated throughout history is the division of government branches or functions as a mechanism to decentralize public authority, establish reciprocal control among government branches, and safeguard freedom for all citizens. In that manner, a balance of power is established among the government branches through a system of checks and balances, according to the classic expression of U.S. constitutionalists. The practical result of this system is that it maintains control over the functional activity of each branch of government. There is no first, second, or third state branch in order of hierarchy. There are three coordinated branches—each having its own duties and responsibilities in state leadership—that under a system of reciprocal controls create the necessary balance of authority to protect the people's liberty and guarantee peace. One branch makes laws, another branch heads state activities within a specific legal framework, and another administers justice and, in each case of controversy, declares who is right and who is not. However, each branch is responsible for its actions. In a republican government system, no government official is free of responsibility; legislators, judges, and administrators—all of us—must account for our actions. This is why I am present at the National Parliament today. [applause]

I regret having to mention the past. I do so simply because it is a necessary point of reference to understand the present and to view under the right perspective the progress achieved during the past year of government.

A year ago, on 10 August, I was handed a politically convulsed country, with a chaotic economy, a fragmented and unjust society, moral corruption in the highest government spheres, and administrative disorder, that was internationally isolated and psychologically unstable and unsure of itself.

Those were the parameters of the crisis. My first decision was to face them vigorously. Therefore, 20 days after I assumed power I implemented an economic emergency plan that called for the establishment of a new development plan leading to the mixed economy system I offered the country and for the adoption of economic measures to face the social and economic crisis. The purpose of the emergency plan was to stabilize the economy as a prior step toward development; assume the command of the country's economic development, which was in private hands; eliminate the floating pricing system on major economic goods; provide security, as well as clear and permanent rules to private economic sectors; reactivate production according to social needs; restore administrative morality; and start paying off our debt to the poor.

I made a call for unity, concord, and reconciliation of interests to achieve the great national objectives. In my opinion, it was urgent to stop the distribution of the country's assets as was done in a number of selfish administrations. However, the idea of concord was not well understood. I regret to say that pressure groups cannot understand the meaning of concord unless the government does what they feel is best for them. This occurs at all levels—either their demands are met, or there is no concord. I tried to convince the various sectors that we should have a national view of problems, that Ecuador is a unit, that personal interests should not prevail over national interests. It was useless. Each group and association accustomed to caring only for its own interests, remained inflexible within the four walls of its lack of national vision, its nearsightedness, selfishness, and insatiable greed.

However, the people understood the importance of concord. They understood very well the economic difficulties that existed in the country when I assumed power, and they encouraged my government actions over the past 12 months. Finally I reached concord with the people. I felt the people's response. I personally sensed it during my frequent tours throughout the country, during my walks in the cities or along peasant trails. I always found an open hand, an encouraging voice, and an attitude of understanding from people who perceived and knew that I was forced to adopt economic measures, that my government is not responsible for the high cost of living, that it is impossible to curb inflation over a short time, but that with everyone's efforts, we will see better days.

Authority is based on trust. To govern, people must believe in you, you must have moral credibility and inspire confidence. Without raising my voice or insulting anyone, without boasting or adopting the arrogant and self-praise of those who brag about what they lack, I took all the measures I deemed necessary to face the problems and put the country in order. I made decisions in domestic, economic, and international policies. I cannot complain about the results. The economic emergency plan announced on 30 August, which included monetary, currency, fiscal, credit, wage, and social policies, has had positive results. It has started to correct the grave macroeconomic imbalances that resulted mainly from a bad administration that, behind the backs of general interests, adopted measures to favor small but voracious groups linked to the government, measures that carried the names and surnames of their beneficiaries.

This resulted in a shortage in international reserves, a voluminous delay in foreign debt payments, the precarious situation of the Central Bank, a huge deficit in the public sector, total instability in the foreign exchange market, an inflationary process that caused great difficulties during the second half of last year, and an uncontrolled financial system. This generated a climate of uncertainty and mistrust, which made a large number of private investors abandon their productive activities and engage in speculative practices, which contributed toward worsening inflation and monetary stability, with the negative consequences that this always has on the low-income population.

On 31 July 1988, our international monetary reserves had a negative balance of $330 million. As of today, we have recovered $308 million and the negative balance is only $22 million, which will be covered in the next few weeks to start creating positive reserves. I asssumed leadership with the country owing $958 million in import debts; the Central Bank had only $9 million to make these payments. Today, a year later, my government is up to date with its foreign trade commitments.

The former government's monetary output, which was higher than the rate of inflation and one of the factors that caused prices to increase during the second semester of 1988, reached 66 percent in 1988. By June 1989, we lowered this to 52.7 percent, thus protecting our monetary stability.

The former government's credit policy was another disaster. It turned the Central Bank into a machine to make money for the government to squander. Violating legal norms and economic principles, it forced the Central Bank to grant loans for more than 64 billion sucres, an unprecedented amount. However, during this year of my government, we have confronted the economic crisis and the budget demands without asking for a single centavo from the Central Bank [applause] in a serious and responsible stance not seen for many years in our country's economic history.

We all know that the foreign debt is an obstacle, the biggest obstacle hindering Ecuador's social and economic development. The former government received a debt estimated at $7.596 billion, and in late 1988 we received a $10.551 billion debt. This means that the former government indebted the country by an additional $2.955 billion in 4 years. In other words, the debt increased by 39 percent. That debt is unpayable for the simple reason that the Ecuadoran economy cannot handle these payments. [applause] For this reason we are refinancing our debt with our creditors and seeking unconventional alternatives for its payment. These alternatives include a significant reduction of the owed capital. The Ecuadoran negotiating team is in New York right now working on this. The idea is to alleviate the load of the debt service and amortization through renegotiation, in an attempt to free some resources and use them to finance Ecuador's social and economic development.

In contrast to the floating exchange rate policy that prevailed during the previous administration—all these rates were supposedly controlled by the market's invisible hand, but were in reality manipulated by the visible hand of a few speculators—my government has claimed for the state the right to control exchange rates. In accordance with this policy, my government assumed handling foreign exchange and establishing rates of exchange; it also appointed private brokers to make weekly foreign exchange evaluations. My government also established a dual exchange system with a Central Bank intervention market [mercado de intervencion] and a free market. I also adopted the previously announced system of periodic minidevaluations that progressively decreased the gap between the two exchange markets as never before in a decade. All this has marked a tendency toward stabilization and has discouraged illegal activities in foreign trade. [applause]

When I assumed power, Ecuador had a system that allowed financial intermediaries to freely establish their passive and active interest rates. As expected, this system affected inflation because it increased the financial costs of the productive processes and discouraged internal savings because of the low yield. The differential was too much. It affected the person who was saving and also raised interest rates.

In August 1988 there were no standard active interest rates; these rates fluctuated between 35 and 53 percent, while interest on savings accounts fluctuated between 21 and 26 percent. All this was allowed by the floating system. To correct this, on 30 August we decided that the differential between the interest on savings accounts and loans could not exceed 19 points. This reduced the financial costs for the producers, because the active interest rates were linked to the passive interest rates on savings accounts, thus attracting savings. Later, in April, we introduced a change in the system.

We included the accrual policies in calculating the ceiling for the free trade interest rate to encourage

savings through short term instruments. We also established a 15-point margin for differentiated intermediary operations within entities that work with savings account deposits and issue accrual instruments and a 17-point margin for those entities that do not work with those instruments, to balance the earning power of the various types of intermediary activities. As of August 1988, the lack of control in the banks and financial entities was such that the overdraft and accrued accounts they had with the Central Bank rose to 15.775 billion sucres, but we reduced that to 730 million sucres during the first 10 months of my administration. In other words, we reduced it 22 times, and we will continue to reduce it because we intend to restore order in the financial sector. [applause] [Unidentified person shouts: "Long live Rodrigo Borja!" Crowd answers: "Viva!"]

Fortunately, today I can assert that the sector now operates in strict abidance of the law, and this represents important progress in the development sector because the country has strong and reliable financial institutions. I do not think it is exaggerated to state that no government had acted with such energy to put the economy on a sound basis and to ensure its strength, solvency, and liquidity since the July 1925 revolution. [applause]

Bank Superintendent Dr Gonzalo Cordova has assumed this task with determination. In August 1988, and following a detailed analysis of the true situation that prevails in each and every one of the financial institutions in the private sector, he imposed severe rehabilitation programs on some of them when this was possible, and proceeded to liquidate others because their rehabilitation was not viable. Such was the case of one bank, four finance companies, and one financial intermediary company that systematically violated the law, or did not guarantee the necessary solvency, or acquired debts with Central Bank resources without having the capability to pay.

If things had continued as they were on 10 August 1988, meaning if we had not immediately taken action, the public sector's consolidated deficit would have been equivalent to 17 percent of the gross national product by the end of 1988. The handling of economic policies under our emergency plan reduced the deficit to 5.1 percent by 31 December 1988, and projections indicate it will drop to 3.4 percent by the end of this year. The priority given to public expenses and austerity are an essential part of the economic emergency plan. Our fiscal policy is designed to increase revenues and reduce expenses, without affecting investments, to reduce the pressure of inflation.

Seeking to increase fiscal revenues by cutting tax evasion, we implemented the first phase of tax reform through Law 006 of 29 December 1988, which was discussed and approved on a priority basis upon request from the executive branch in a plenary meeting by the legislative commissions. A substantial increase in the income tax yield and business transactions has been achieved by increasing the tax base and enforcing a coherent system of income tax deductions throughout the 1st half of 1989. The comparative yield of those taxes during the 1st half of 1988—under the previous administration—and the 1st half of 1989—under my administration—is eloquent enough: 76 billion sucres were collected between January and June 1988 and 156 billion sucres were collected during the same period in 1989. [applause]

The same thing goes for customs revenues. During the 1st half of 1988 and under the previous government, we collected 24.74 billion sucres in customs revenues, whereas during the same period this year my government collected twice as much. In other words, we collected 48.82 billion sucres. That increase is the result of our determination to improve the morals of our Customs Department. [applause]

The current Ecuadoran tax sytem, however, is not suitable for anybody. It is not suitable for taxpayers because it is too complicated and is socially unfair, and because despite the existence of progressive, proportional, and additional taxes, taxes are still extremely high in some cases.

The current tax system is not suitable for companies because it forces them to go into very high debt, thus harming them financially. The tax system is not suitable for the government either, because increasing taxes and the complicated tax collection and assessment systems turn tax administration into a very onerous task.

Briefly, our tax system is suitable neither for our society nor for development, because it discourages investment, harms companies' fragile finances, and does not contribute to adequate fiscal finances. That is why after having begun the first phase of the tax reforms, today we are undertaking the second phase. In addition to streamlining and simplifying tax collections, we will begin to collect from individuals and businesses that did not pay any taxes before. This will be a way to distribute income and will serve to finance development plans. My government's proposals on these topics are open to public discussion. I will hear all opinions for 60 days and, as has been my practice, at the end I will adopt the most advisable decision that favors the most people. [applause]

The social conditions under which we received the country were even worse. Unemployment affected almost 400,000 Ecuadoreans. Consumption levels per capita were lower than 10 years ago. The foreign debt amounted to over 5 years of Ecuadoran export revenues. That foreign debt figure was one of the highest per capita in the world. There was also an unpaid and suppressed social debt that manifested itself in alarming need among the country's poorest sectors and in social unrest, the effects of which we still perceive.

Briefly, I can tell the National Congress that after having received a country in bankruptcy and a country filled with social imbalances, we have succeeded in beginning

a sustained process of economic recovery and stabilization. We have also succeeded in setting the basis for social development and the fulfillment of our people's demands.

We recently approved the national plan for economic and social development. That plan was drafted by CONADE [expansion unknown] under the direction of Ecuadoran Vice President Luis Parodi Valverde. This plan combines economic stabilization with a revitalization of production and the progressive social distribution of the benefits coming from that economic recovery. [applause]

That is the path we will follow. The means by which some opposition fanatics distort figures cannot conceal the true, serious, and responsible efforts my government is making to rescue a country that sank because of the incompetence and corruption of those who, with their retractile claws now intend to judge my government's morality and efficiency with the complicity of some useful fools, [applause] with the complicity of some useful fools [repeats himself]. Those fools call themselves leftists because they are generous with themselves, but the truth is they are always at the service of the ultraright. [applause; crowd shouts: "Long live Rodrigo Borja," "Long live the Democratic Left"]

As regards the policy on oil, mines, and energy, my government has undertaken to turn the operation of Ecuador's state-run oil enterprise into a dynamic and efficient organization run from a business standpoint, since that is the agency in charge of implementing government policy on hydrocarbons through the Mines and Energy Ministry headed by Eng Diego Tamariz. [applause] There are many reasons to do that. CEPE [Ecuadoran State Petroleum Corporation] is the country's largest enterprise, it handles the state's chief economic sector, and in the very near future it will take on new responsibilities with the management of the trans-Ecuadoran pipeline, the CEPE-Texaco consortium, and the Anglo and Repetrol refineries on the peninsula. [applause]

Its 17-year-old charter is no longer sufficient to efficiently run the corporation because of the tremendous growth and transformations it has experienced throughout these years and because of the growing complexity of managing the diverse aspects of the oil business. Therefore, gentlemen legislators, it has become necessary that we create a new legal, organizational, financial, administrative, and control system to guarantee the country the most efficient use of its hydrocarbon resources. In the next few days, I will submit to the National Congress for your consideration a bill on the establishment of a state-owned Ecuadoran Petroleum Enterprise [Petroleos del Ecuador]. This bill creates a central agency that will follow the government's policy on hydrocarbon but will also have autonomous management mechanisms and be in charge of planning. It will have three permanent branches to handle production, industrialization, and marketing, respectively, and three temporary branches to run the operations of the oil pipeline, the CEPE-Texaco consortium, and the Anglo and Repetrol refineries until they are incorporated into the permanent branches.

The state enterprise will operate under the system of a financial and productive agency and will have the mechanisms to assess results, as is fitting for the instrument that is used to implement the government's policies on oil. Its financial system entails the recovery of its expenses and a 10-percent share of the surplus revenues it generates to be destined for new investments. This means that allocation of resources to it will be based on the results it produces, giving it a tremendous financial force that is independent of the system of budget allocations. [applause]

My government respects the commitments made by the Ecuadoran State with foreign investors. This is part of my administration's seriousness. Respectful of contractual agreements, I made the decision to hand over to the state the running of the trans-Ecuadoran oil pipeline as of 1 October, the operations of the CEPE-Texaco consortium—whose oil fields represent the core of Ecuador's hydrocarbon wealth— as of 1 July 1990, and the operations of the peninsula refineries on the dates their respective contracts end, namely, in November 1989 and in August 1990.

The management of the pipeline by the new Ecuadoran Petroleum Enterprise will lower costs, thus benefiting the country. It will save 10 percent of the profits Texaco now collects and will reduce service payments on the importation of goods and equipment. The operation of the consortium's fields will yield the country additional savings. We will no longer have to send abroad payments charged by Texaco's headquarters. During my year in office, oil exploration has been 56 percent higher than during any 1 year of the previous administration. Out of the 32 wells drilled by CEPE and other foreign companies, 14 are in the exploration phase and 18 of them in the advanced and development phase. This means that 44 percent of the investment was spent on searching for oil, while in the previous period 28 percent was used for this purpose. During my 1st year in office, oil production reached a daily average of 286,000 barrels. We report a 3-percent drop, compared to last year, owing to a reduction in the investments the consortium had to make to recondition the wells and improve recovery.

The price policy on oil derivatives, which has undergone two adjustments during the past year of my administration, was based on economic, energy, and social criteria. The September 1988 readjustment should have recovered the true prices of products, decreased by the inflation rate that accumulated for more than 1 year in the previous administration. The July 1989 readjustment was done in a gradual manner to keep it from having an impact on the government anti-inflation policy. The two readjustments were based on the law on hydrocarbons. We are now determined to rationalize the use of fuel

derived from oil. We decided that CEPE has to participate in the market of liquid gas and other derivatives to regulate their prices and prevent abuses.

We are not trying to establish a monopoly or to eliminate the participation of private enterprises. It is a matter of offering an alternative of supply in the event of emergency, something which has been proven to be advisable and necessary. We are promoting the use of kerex [kerosene-based fuel] for home use [applause] in the lower-income urban areas and the rural areas. The idea is to reduce the use of an expensive fuel such as natural gas or a dangerous one such as gasoline, and promote the use of a cheaper and safer one such as kerex. Kerex is 50 percent cheaper than gas and nearly 7 times cheaper than firewood. In addition, the poor people will no longer have to purchase the gas cylinders that, together with all the attachments, cost about 20,000 sucres. They will also have cheaper stoves, the kerex ranges. [applause] For its part, the state will begin to reduce the 25 billion sucres, which is the annual cost of subsidizing the liquid gas imports.

There is great uncertainty in the international market concerning the future prices of petroleum, in spite of the decisions made at the November 1988 OPEC meeting. At that time, it was decided to withdraw about 4 million barrels daily from the market, Iraq joined the quota system, and Alaska and the North Sea reduced production.

When I took over, the electricity sector was in a very serious financial crisis. This was mainly the result of a reduction in oil participation and because the Inter-American Development Bank [IDB] suspended the disbursements due to nonpayment by the previous administration. When we settled the situation—and the IDB resumed payments early this year—we were able to increase by 24 percent the construction works of the Paute Project, phase C, which will increase the country's installed power by 500 megawatts. In addition to dredging the [words indistinct] dam, we are promoting the normal operation of the Paute Central. We are also promoting the construction of the Daule-Peripa, and of the ones at San Francisco, Sopladora, and (Coca-Codo-Sinclair).

As for the transmission lines, after having launched just a few weeks ago the Totoras-Riobamba system, we only have to complete a stretch of 70 km between Riobamba and Paute in order to close the ring of the national electricity transmission system of the country. [applause]

With the determination that others lacked, my government has taken the necessary steps to cancel its contract with the foreign enterprise EMELEC [Ecuadoran Electric Power Enterprise], and the power supply to Guayaquil will now be in the hands of the Guayaquil people . [applause] This action is legal and is specified in the contracts. This is not an expropriation of property. I ordered an intervention in this enterprise because the enterprise broke legal and conventional rules.

Claiming it has not received any profits guaranteed by the contract for the last 6 years, EMELEC has paid 92 centavos of a sucre for each kilowatt hour that INECEL [Ecuadoran Institute of Electrification] supplied, while it has charged figures that are close to 15 sucres.

As the process of negotiation was delayed, and due to the high cost this delay represented for the country, the EMELEC officials were taking 1.8 billion sucres per month out of the country that should have gone to payment of local debts. I decided to intervene in the company according to Articles 31 and 31 of the basic electrification law, because EMELEC owes INECEL approximately 12 billion sucres as of 31 December 1988 for the supply of electricity, and 5 billion sucres to CEPE for fuel as of the same date.

In addition, EMELEC did not comply with Ministerial Agreement No 169, which established that EMELEC must deposit in the Central Bank every week the revenues coming from the most recent Guayaquil City electricity tariff increase. The noncompliance with this agreement increased the already overwhelming debt with INECEL by 6.7 billion sucres between January and May 1989.

The original contract signed with EMELEC in 1925 should have ended in October 1985, but the previous government postponed the decision to end that contract indefinitely. Apparently EMELEC's economic power has been so great that at the time no government dared putting everything in its place. Today, my decision is irreversible. EMELEC will pass into Ecuador's hands. [applause] [Crowd shouts: "Long live Rodrigo Borja," Long live the Democratic Left"] [Crowd shouts indistinct slogans]

As for mining issues, my government's policy pursues various goals. First, we want to streamline and introduce new technology into mine exploitation. We want to guarantee private investment of businesses and cooperatives, we want to prevent the usurpation of legally granted concessions, and we want to make the entire mining activity part of the country's productive system since it is another source of employment and foreign exchange.

Gentlemen legislators, all those goals will be included in the new bill regulating mining activity, which my government is currently preparing and which will be sent to the National Congress this year. [applause]

Between 1984 and 1988, we engaged in public works worth 135.10 billion sucres. The government signed contracts for that amount of money without having a budget allocation to pay for them. That was an incredible irresponsibility, which unbalanced the Public Works Ministry finances. Up until 31 December 1988, the government books had entered debts with contractors—for works already completed—for 19 billion sucres. Most of those debts had been there since 1986. Logically, the first thing Public Minister Juan Neira did was to credit 15.4 billion sucres into those debts so that contractors

could resume their work. [applause] The outstanding 3.5 billion sucres will be paid off within the next few weeks. This will be the first time in a very long time that the Public Ministry is up to date with its debts.

The payment of those debts limited the Public Ministry's work capacity to a very large extent, but despite its economic difficulties it has continued to work and build. All new work contracts signed after 10 August 1988 have their corresponding financial backing. No contracts lacking sufficient financial backing have been signed.

The Public Ministry has built 306 km of new roads and local roads and 348 linear meters of bridges. The Public Ministry improved and repaired 120 km of roads and local roads and has provided maintenance to 9,796 km of the country's major, secondary, and local roads. The Public Ministry also signposted 2,200 km of the country's road system. [applause]

The restoration of our railway system, which is an old, national yearning, is part of my government's program. We cannot let Alfaro's [early-century, former Ecuadoran president] work die. During this 1st year of government we repaired 450 km of the country's 965-km railway line. There are 800 km of railway line, including the sections San Lorenzo-Ibarra, Quito-Rio Bamba, Rio Bamba-Guamote, Alauci-Duran, and El Tambo-Cuenca, currently in service. We have repaired many engines, their corresponding passenger and cargo cars, and 22 [word indistinct]. In Ecuador, 1,200 passengers travel on our trains every day and our trains move 96 tons of cargo daily.

Thus far, my government has invested 610 million sucres in the rehabilitation of the railway system, and thanks to Law 34 that you gentlemen legislators approved, we will have approximately 3 billion sucres per year to continue improving our railway system, which is a work of profound social consequence. [Crowd shouts: "Long live President Borja," "Long live the Democratic Left"] [applause]

As for telecommunications, we have installed 53,900 new telephone lines in 1 year, and we are in the process of installing 27,250 additional phone lines. We have approved contracts to install 112,000 new phone lines, and we have installed 47 telephone centrals for automatic dialing in small cities and towns, which had been without means of communication for a very long time. [applause]

In my inaugural speech I said that the Ecuadoran industrial sector had experienced a historic, unprecedented decline during the last few years. Between 1983 and 1986, industrial production dropped by 0.8 percent; a process of true desindustrialization took place. That is a very serious event for us, because our industrial production has traditionally been the sector that has most stably promoted the country's growth.

I mention this to stress the importance that my government gives to industrial activities, including the large, small, and agricultural industries.

Our basic task this year has been to create the necessary atmosphere of certainty and confidence to revitalize industrial production, to guarantee local consumption, to create jobs, and to promote exports of finished goods. The foreign exchange policy adopted by the government effectively contributed to these objectives.

Since 10 August 1988, with a real investment capital of 12.7 billion sucres and 1,279 new jobs, 28 companies have benefited from the promotion of the industrial sector. We have authorized the importation of machinery and equipment for 11.801 billion sucres. We authorized reinvestment of 202 million sucres in the auto industry.

The superintendent's office [not further identified] has authorized 2,700 companies to increase their capital stock by a total of 85 billion sucres. This confirms that in Ecuador there is a climate of tranquillity and confidence for investors. [applause]

From the various funds it handles, the National Financial Corporation [CFN] granted credits to large- and small-sized industries and to the crafts sector, and it helped finance exports of nontraditional goods in the amount of 28.913 billion sucres between August 1988 and July 1989. This allocation of finances will create, according to our estimates, 2,700 new jobs.

Since last August, a total of $233 million of Ecuadoran manufactured goods were exported to the industrialized countries under the general preferential trade agreements, outstripping the $196 million in exports during the same period last year. Trade agreements have been signed with Peru and Colombia under the framework of Andean integration. We expect to do the same soon with Venezuela to normalize our foreign trade with those countries and to secure exports totalling approximately $85 million during this year compared to $55 million last year.

The manufacturing output has grown 3.9 percent during my 1st year of government, despite its slump of the last few years and the the restrictions it had to endure as a result of the measures of 30 August, which have been becoming more flexible as the country's economy recovers. In keeping with the government's agrarian policy, Agriculture Minister Mario Jalil has promoted eight priority projects to develop agricultural-livestock production, the Monetary Board having initially allotted 87 billion sucres to finance them. [applause]

The projects involve the improvement and cultivation of bananas in the amount of 36 billion sucres; the rehabilitation of coffee production for a total of about 21 billion sucres; the renovation of cacao groves for 15 billion sucres; the purchase of farming equipment, industrial investments, and increase in sugarcane production for over 10 billion sucres; and the repopulation and

improvement of cattle totaling approximately 8 billion sucres, as well as three additional programs to promote the fruit and wheat production on the coast and the highlands.

Seven [as heard] additional products have been analyzed to seek international financing: the production of rice in the Amazon region, the breeding of farm animals, the development of leguminous plants, and the development of multi-product farms. This represents an investment in excess of 4 billion sucres. My government has taken a special interest in the development of our livestock, and the livestock growth rate this year was 3.5 percent. Therefore, the country has 4 million heads of cattle for the first time in history.

The Ministry of Agriculture carried out an animal health program this year, with 802,000 doses of foot and mouth disease vaccine; 68,000 doses of swine cholera vaccine; 440,000 doses of anthrax, septicemia, and malignant edema vaccine; 18,000 doses of brucellosis vaccine; and 18,000 doses of equine encephalitis vaccine. The importing of approximately $6 million worth of flower, vegetable, barley, grass, cotton, corn, and African palm seeds has been authorized. The ministry has given technical assistance to more than 17,000 small producers with funds from the IDB, and it has given 2,000 courses on crops which comprise the basic food products, meaning rice, corn, potatoes, wheat, barley, beans, and other products.

The National Development Bank will grant, according to its credit plans for 1989, 95,600 loans for approximately 122.607 billion sucres. These figures have no precedent in the bank's history of credits. [applause] The new operations will surpass by 65,135 billion, or 136 percent, the credits granted in 1988, and, regarding the amount of credits, 26,553 new ones will be granted, or 51 percent more than 1988. This means, first of all, that the government has exerted itself to the utmost to finance agrarian and livestock activities and, second, that the government's policy is aimed at preventing the concentration of credits.

The national banana program has effectively fought Sigatoka [banana disease] in 65,000 hectares, and other diseases in 50,000 hectares. Thus, banana production rose to 1,830,000 tons, and 1,460,000 tons were exported between August and June 1989—this is 15 percent more than a similar period under the previous administration—for a COB [Bolivian Labor Federation] price of $300 million.

The government has sponsored the renewal and rehabilitation of 4,500 hectares of coffee groves, it has given technical assistance and fertilizers for 138,000 hectares, it has carried out pruning operations in 7,600 hectares, and it has carried out health controls in 5,400 hectares. I hope that the coffee-producing and -purchasing countries will renew the international agreement by September to defend and stabilize the coffee prices.

The national cacao program has included technical advice on the management of crops, handling of fertilizers, prevention of diseases, re-sowing, and other activities in approximately 31,000 hectares, seeking to increase productivity—which has traditionally been 6 quintals per hectare in Ecuador, compared with 25 quintals per hectare in certain African countries.

During my 1st year in government we have given technical assistance to the rice producers in 106,000 hectares, and 139,000 hectares were sowed with rice for the winter and summer harvests. The production of unhusked rice was 468,624 metric tons and the production of husked rice more than 200,000 tons. This represents a 2.4-percent increase over the previous period.

The government's cotton and oleaginous plants program has sponsored the sowing of approximately 22,000 hectares with 109 metric tons of improved seeds. The dry corn production was 284,000 tons this year; the soybean production, 90,000 tons; and the sorghum production, 9,000 tons.

The agriculture minister has given priority attention to the peasants' basic reserves program. It involves the distribution of 6,000 small silos—each with a storage capacity of 5, 15, and 25 tons—to the farmers so that they may store the rice, corn, wheat, and leguminous plants on their own farms and be able to progressively sell them according to demand, thus defending the price of their products. [applause]

The government gives special importance to the agrarian and industrial integration, and it will give all the necessary facilities to sponsor it. The complementation of agrarian activities with industrial activities is aimed at favoring sectors that should be the most dynamic in our country's economy, given their capacity to create new jobs and use national raw materials. This is a short resume of how much has been done to develop the country's agrarian and livestock production.

During the past year my government delivered through IERAC [Ecuadoran Institute of Agrarian Reform and Settlement] 253,000 hectares of land to peasants, Indian communities, and agricultural cooperatives in accordance with the agrarian reform and settlement policy. [applause]

Attending to a clamor of centuries from Indian communities in the Amazon region who have the right to be heard and to secure their own land to work, I created the Presidential Commission for Indian Affairs [Comision Presidencial para Asuntos Indigenas], which has opened a friendly dialogue with our country's autochthonous groups. In accordance with that policy, my government has delivered 75,198 hectares of land to the (Chuars) and (Achuars), 32,414 to the Sionas and Secoyas, and 44,286 hectares to the Quechuas. I have promoted bilingual inter-cultural education throughout the country by creating the Provincial Indian Education Directorates [Direcciones Provinciales de Educacion Indigena]. This bicultural education is imparted in Spanish and the

respective native languages in 1,500 centers by Indian teachers and administrative personnel who use teaching material reflecting their respective cultures. [applause]

I will now refer to inflation, this terrible calamity afflicting the poor people. The increase in prices went up from 34 percent in January 1988 to 63 percent in August of that same year. In other words, the annual inflation rate almost doubled during those 7 months under the previous administration. Should that trend have continued, in other words if we had not taken immediate corrective actions, the inflation rate would have been 158.9 percent instead of 68 percent, which is the annual accumulated rate. [applause]

However, that was not the only problem. During the first months of my government, before the measures I adopted, which required time, showed any results, inflation grew anyway. Logically, this was the direct result of what economists call inertial factors; in other words, the inertia of dragged forces and energy which originated in the previous government's economic policy.

I immediately took measures to fight inflation. My government acted simultaneously on several fronts. We promoted the production and provision of basic goods and services in order to attack its structures. We also adopted fiscal and monetary measures by reducing public expenses and controlling the issuance of credit notes [medios de pago]. As for agricultural marketing, we reduced the chain of intermediaries through open markets [ferias libres], we curbed speculation and hoarding, and we stopped the flight of food through the border. Those measures made it possible to control inflation for the benefit of the poorest in our country. [applause]

So that you can have a clearer picture, I will give specific examples. During the period from April to July in 1988 under the previous government, inflation was 21.5 percent, while during the same period in 1989—when the upward trend began to rescind as a result of the measures adopted—inflation only reached 8.8 percent, which was 12.7 percent less than during the previous administration. [applause] This has marked a drastic downward curve which, if maintained as I expect, will result in an annual inflation rate of less than 30 percent, as I offered the country. [applause, shouts]

The best service I can render the poor people, the people earning fixed wages, is to reduce inflation, but this is a task for everyone, not just for the government. Inflation is an important psychological factor in Ecuador and everywhere else. Uncertainty, alarm, and unnecessary scandal play an important role in unleashing inflation. Therefore, I have asked businessmen, journalists, workers, and politicians that—not just because they like my administration, but out of responsibility for the country—they maintain the necessary tranquility and composure so that we can overcome this critical stage of transition.

Throughout time the focal point of all political philosophy has been that of finding a balance in society between two contrary forces that are trying to eliminate each other: authority and freedom. The history of political ideas can be summarized in the solutions to the problems that were proposed at the time. Some strengthened authority but harmed freedom, while others strengthened freedom but reduced authority. During my administration I have endeavored to find that balanced solution in order to ensure peace and freedom within democracy. I have carefully respected human rights, I have taken into consideration the opinions of others, and I have fully guaranteed freedom of the press. The struggle for power, which was evident in the past, is now replaced by mutual respect and the necessary cooperation in achieving national goals.

The domestic policy prepared by the administration has been implemented in an efficient manner by Government and Justice Minister Andres Vallejo. [applause]

We have waged a relentless war against drug trafficking. In the past year we have destroyed 86,000 coca plants and arrested 445 persons for involvement in drug trafficking, 298 for possession of drugs, and 1,403 for drug use. All of them have been turned over to the judiciary authorities. We have strictly controlled the marketing of toxic substances. We have seized 46,410 gallons of acetone, ether, thinner, and other products that are used in processing drugs. We have seized 552 kg of cocaine, 142 kg of marijuana, 30 automobiles, 3 motorcycles, and 2 small planes.

The government will fight with all its strength against the drug-trafficking mafia that is attempting to spread its tentacles in various directions. The Ecuadoran people have been shocked by cover-ups carried out by persons who were responsible for the administration of justice. The government minister acted immediately, however, to arrest those who dishonored the judicial branch and has placed them in the hands of the appropriate authorities. [applause]

We will not coddle the culprits of this crime against mankind. We need to revise, bring up to date, and strengthen the legislation on the subject. Within the next few weeks, and as soon as it is completed, I will send to the National Congress a new draft law for controlling narcotics trafficking and its related activities.

With full awareness of what I was doing, and assuming full responsibility, I pardoned the former commando groups of the Air Force who participated in the regrettable events at Taura Air Base. [applause]

That pardon contributed to maintaining peace in the country. I can say the same about my decision regarding the Alfaro Vive Dammit! guerrilla group. Time has proved me right.

The government minister has begun a straightforward fight against crime. Unfortunately, people's migration to the cities, the excessive growth of the urban population,

the formation of city slums, and the chaotic and disordered way in which cities have grown create favorable conditions for the perpetration of crimes.

The government, however, is determined to fight the causes and effects of criminality. In that task we should also stress the efficient, brave, and self-sacrificing attitude of the National Civil Police. [applause]

We must recall that when two groups of foreign criminals operated in our country, the opposition [word indistinct] the least degree of responsibility rushed to hint that the government was responsible for their operation. Soon after that, the National Police arrested the criminals and solved that mystery of inhuman crimes and robberies in our country. Since then, the country has recovered the peace that those criminals had disturbed. [applause] [Crowd shouts indistinct slogans]

Policemen should be the friends of every citizen because they protect every citizen's peace and safety. Policemen are in charge of protecting people's rights. Until society reaches the necessary ethical levels, compliance with the law and government orders will be essentially backed by the police force. The time will come when human beings will find in their consciences the necessary wisdom to live in dignity with themselves and in solidarity with their neighbors. Until that time comes, the law will continue to be enforced by the use of or the threat of force.

Before the National Congress, I want to express my government's gratitude to the police forces for their loyalty to the authorities elected by the people. [applause]

Following the painful ostracism in which Ecuador was left as a result of an international behavior filled with prejudices and shortsightedness, my government decided to break Ecuador's isolation, to strengthen our friendly ties with all peoples, to reopen our country to the world, and to make Ecuador rejoin the international community so that our people's sovereign voice is heard with respect by the international community. [applause] [Crowd shouts: "Long live Rodrigo Borja," "Long live the Democratic Left"]

A year ago, an extremely important meeting of heads of state and high-ranking politicians and intellectuals representing all ideologies and coming from all over the world took place here in Ecuador. That meeting was the first step in changing the course of our foreign policy. Eight heads of state, eight vice presidents, several former Ecuadoran presidents, former presidential candidates, important political leaders, many foreign ministers, 73 special delegations sent by friendly countries, 43 representatives of international organizations, and many distinguished intellectuals attended that meeting.

All of them met in our country to express their friendship with us, to celebrate with us the Ecuadoran party of democracy, and to exchange viewpoints on world, regional, and bilateral issues. [applause]

As part of the modern conception of diplomacy and based on meetings with various heads of state, I traveled to different places four times this past year, but always with the same intention: to strengthen Ecuador's international image.

I attended the inauguration of Venezuelan President Carlos Andres Perez. There I spoke on behalf of Latin America and the Caribbean before the meeting of the Latin American Economic System. I presented our country's position regarding the foreign debt problem, the industrialized countries' protectionism, the inequality of world foreign trade, and other problems, whose solutions require the strength that Latin American unity can provide. [applause]

The Venezuelan president and I signed an agreement for technical cooperation in the energy and mining sector and, within this framework, we negotiated the processing of 15,000-18,000 barrels of residues in Venezuela to supply the Ecuadoran market with 50,000 metric tons of lubricants per year and 180,000 metric tons of liquid gas. This will allow us to eliminate current imports of these products.

On that occasion I signed a $25-million contract with the Andean Development Corporation for the renewal and expansion of the Ecuadoran industrial fishing fleet. I also signed a $20-million contract to finance interregional Andean trade; a $4.2-million contract for the Esmeraldas Refinery maritime terminal; a $1.04-million contract for the construction of a bridge over the San Miguel River, on the Colombian border; and other agreements.

Following the same guideline, I visited Manaos to attend the Amazon countries' presidential meeting and the Cartagena summit, which gathered together the presidents of the Andean countries. My visit to Bogota followed as a result of the cordial invitation from the illustrious President Virgilio Barco in order to solve bilateral trade problems between the two countries, seek the integration of our border areas, review the failure to fulfill the Cartagena Agreements, and discuss joint drilling operations in our common oil areas.

We decided to create the neighborhood commission, which will see to the speedy and efficient solution of problems concerning the traffic of people and vehicles, control of crimes, and other problems which occur at the border areas. My government was honored with the Order of Boyaca, which is the highest decoration bestowed by Colombia. Its National Congress also bestowed on us the highest parliamentary distinction, and the mayor of Bogota gave us the keys of the city as a symbol and expression of friendship. During these three visits, when I walked the streets and talked with the man on the street, I felt surrounded by the friendship, sympathy, and warm hospitality of the Venezuelan, Brazilian, and Colombian people. [applause]

I shall attend the nonaligned countries summit in Yugoslavia in September. This will be the first time an Ecuadoran president has attended a nonaligned meeting.

I want to make our country's position known on the need to create—leaving aside the great powers—a power balance of nonaligned countries that can speak on behalf of the humanity that suffers the daily anguish of the atomic threat, and a power balance that can struggle for democratic relations between all countries of the world. [applause]

I regretted very much that I was not able to accept the French president's invitation to participate in the commemoration of the 200th anniversary of the French revolution—which gathered the highest personalities in world politics in Paris a few weeks ago—but on 11-12 October we will be visited by French President Francois Mitterrand, one of the most outstanding European leaders of this century. [applause]

Ecuadoran Foreign Minister Diego Cordovez, a well-known man of great international prestige, has played an important role in the promotion of our country abroad He has been entrusted with important missions at the continental level, such as the search for a solution to the Panamanian conflict, and with a commission—comprising former Spanish Prime Minister Adolfo Suarez, former Colombian President Alfonso Lopez, former Mexican President Luis Echeverria, and Venezuelan Supreme Court Justice President Rene de Sola—that seeks a peaceful and cordial solution to the problems which divide Venezuela and Colombia. [applause]

Given its current democratic atmosphere, Ecuador has become the site of many international meetings this year, and all the topics were freely discussed during those meetings. Gentlemen, I believe that I have fulfilled my pledge to reintroduce Ecuador on the international scene and defend the great principles that, except for a few dishonorable exceptions, always inspired Ecuador's foreign policy; that is, the peaceful settlement of disputes, the disavowal of territorial achievements attained by force [applause], non-intervention, people's self-determination, the struggle against an arms buildup, solidarity with the Latin American people, the struggle against drug trafficking, and the search for a new international economic order that does justice to the poor countries.

I have honored and fulfilled my distinguished post as commander in chief of the Ecuadoran Armed Forces in strict compliance with the Constitution and the country's laws. I have respected and I have made the Ecuadoran people respect the Armed Forces' norms, mandates, and hierarchies. I have not asked the Armed Forces to do anything that is not established by law. I have not turned barracks into political platforms. I have shared some of the tasks performed by and some of the risks experienced by the soldiers of my homeland. [applause] [Crowd shouts indistinct slogans]

I believe that has been the best homage I could have ever paid to the Ecuadoran Armed Forces. The Ecuadoran Armed Forces are entrusted with the mission of safeguarding extremely important values for our social life, including our country's territorial integrity, the inviolability of national sovereignty, obedience to political power in accordance with the law, and due compliance with the Constitution. In addition, the Armed Forces have contributed to the country's social and economic development. [applause]

With a high sense of discipline and a self-sacrificing spirit, the Ecuadoran Armed Forces have made efforts to improve their level of technology and professionalism. With their high level of patriotism, the Armed Forces are always on the alert and ready to fulfill the country's needs. The Armed Forces have been ready to help at all national emergencies.

The Armed Forces' contribution to the country's development has been significant. The body of Army engineers, the Navy's Oceanographic Institute, TRASNAVE [expansion unknon], FLOPEC [Ecuadoran Petroleum Fleet], the Navy's dredger system, the FAE [Ecuadoran Air Force] aeronautic industry, TAME [Ecuadoran Military Air Transport], and the Army's Industry Directorate have all made positive contributions to the country's development. [applause]

I must stress that the Armed Forces have helped the government in establishing farmers' markets and in carrying out literacy campaigns, school nutrition programs, children's vaccination campaigns, and reforestation programs. The Armed Forces also helped towns affected by natural disasters and other emergencies.

In addition, Civilian Affairs flights were useful in emergency cases, helping us transport food to the various areas. The Navy's dredges helped in the dredging of rivers, in electrification works, and in digging of oil wells. In addition, the Navy helped us control the smuggling of fuel and staple items. The Navy also participated in the confiscation of weapons and explosives, the protection of basic service institutions, and in all actions for which the government requested an Armed Forces' contribution. The Armed Forces' well-trained members and technological preparation were always at the service of the Ecuadoran people's safety, well-being, and progress. [applause] [Crowd shouts indistinct slogans]

To try to solve the country's social problems, which Latin American economists call the social debt, I, for the first time in any presidential term, created a social work front composed of the labor, social welfare, health, and education ministers and the National Child and Family Institute. This front is responsible for coordinating their actions to help the most needy groups.

At first we steered our main efforts at overcoming the country's bankruptcy and stabilizing its economy. Now we must emphasize social work.

With the technical and financial cooperation of UNICEF, Social Welfare Minister Raul Baca has begun a large rehabilitation program for minors. Minister Baca has opened 40 children's libraries, has overseen the construction of several offices to offer protection to

minors, and through the Community Network for Child Development has started to implement a far-reaching program to attend to minors down to 6 years of age in their own neighborhoods and social environment. This program provides minors with medical care, nutrition aid, health control programs, and playing time during their parents' daily working hours. [applause] [Crowd shouts: "Long live Rodrigo Borja Ceballos"]

With that program and from now until the end of this year, the government expects to help up to 50,000 Ecuadoran children throughout the 21 Ecuadoran provinces. The government expects to help 150,000 children in 1990 and to up to 600,000 children toward the end of my presidential term. With the previous program, the government could help 20,000 children. [applause]

Meanwhile, the INNFA [National Institute for the Child and Family] has assisted 428 orphans and children abandoned by poor families at boarding houses turned into boarding schools. These children have been given shelter, food, education, and health care. The INNFA currently operates 30 centers providing daily child care, several physical rehabilitation centers with specialized services for children with sensorial or mental problems, 11 special educational centers serving 900 children in various parts of the country, 3 homes for elderly people, several mass dining rooms, 1 institute for the blind, and 1 hydration center. The INNFA's Social Medical Center has attended to an average of 20 daily patients during this period. A total of 20,000 children have benefited from recreational activities and cultural events organized by the INNFA. [applause]

My government has been particularly interested in promoting women's participation in the national development process. With international funds we have promoted training courses for women in various specialities, in credit handling, and in administrative training, as well as in other productive areas.

Since 88 percent of the population over 60 years of age lives in critical poverty, we have created self-managed shops for physical rehabilitation programs, and have improved [words indistinct) in favor of low-income elderly people.

The overall rehabilitation of the handicapped is another area of concern in our social policy. To that effect we have created interinstitutional committees in eight provinces, and for the first time we have implemented two programs on community rehabilitation in Cisne Dos, Guayaquil, and in Penipe, Chimborazo. We have created shops in Quito and Guaranda, others in Guayaquil, Cuenca, and Machala. Also, we have restored the orthodontics and prosthetics shop in Esmeraldas.

The national plan for overall rural development is under way to improve the standard of living for more than 1 million peasants and to strengthen their participation in the country's agricultural production. With IDB [Inter-American Development Bank] and UN support, we began a basic rural housing project in Pimampiro, Quijos, Cayambe, and (Tabacunbo), with a goal of 900 houses at a cost of approximately $1.5 million. The Spanish Government offered $6.5 million for the (Invabura) project. We are conducting negotiations with the IDB to finance the Chivo River project at a cost of $1 million. With Swiss technical assistance we will improve irrigation in the Patococha project in El Canar and will finance the Penipe project in Chimborazo with $525,000.

My government feels that cooperative activities represent a very important alternative for economic and social development, as 20 percent of Ecuadorans are affiliated to 6,000 cooperative organizations engaged in productive activities, transportation, insurance, housing, craftsmanship, and savings & loans, among others. Therefore, we give our full support to the country's cooperative movement.

One of the worst things that my government inherited was the high unemployment and underemployment rates. In response to this, Labor Minister Cesar Verduga has defined a policy consisting of four main programs: emergency employment and social development, special employment projects, a national small-enterprise program, and craftsmanship promotion. A few days ago, in accordance with the general policy for creating new jobs, I issued Executive Decree No 792, creating the Employment Promotion System as the instrument to carry out the emergency employment and social development program. This system will generate approximately 150,000 jobs per year in productive activities [applause] for communities. Through the small-enterprise program, the Labor Ministry has trained 4,000 small businessmen during the past 12 months and has made credit available to them, initially channeling 200 million sucres through an agreement with the Previsora Bank. It will distribute an additional 200 million during the rest of the current year.

This technical and credit assistance policy in favor of those who never had access to credit will be complemented by the creation of the National Corporation for Support to Popular Economic Units [Corporacion Nacional de Apoyo a las Unidades Populares Economicas]. This institution, created through the executive's initiative and widely discussed by the plenum of the legislative commissions, will be created to open credit lines in favor of craftsmen, street vendors, and other self-employed workers. [applause] We have initially earmarked 4 billion sucres for this purpose, and we hope to increase this amount with financial assistance from international organizations committed to Latin America's social development.

That is my response to those who refused to understand my thesis of revitalizing our economy from the bottom to the top. [applause] In other words, to revitalize the economy in a way that would improve the economic situation and the purchasing power of the majority and

in a way that would allow most Ecuadorans to join the country's production and consumption process.

Gentlemen legislators, the special, part-time-hiring draft law is in your hands. I sent you that bill approximately 6 months ago. I know the bill is controversial, but I believe no one has the right to deny thousands of unemployed compatriots the opportunity to have jobs, even if they are only part-time jobs. [applause] Part-time jobs are certainly not the ideal solution, but it is an emergency solution to an emergency problem. I cannot believe that on behalf of created, political interests or selfish viewpoints, some would try to endanger Ecuadorans' right to work.

Arguments that this labor law could affect full-time workers or the labor movement are absolutely false. None of that is true. The only truth is that for several decades the growth in the number of jobs has been lower than the growth in the working population. As a result of that imbalance we have an increasingly unemployed population. That is why I want to create this new labor law, which from a social point of view will incorporate unemployed labor into the country's production process. From an economic point of view, this new law will use the idle installed capacity of many companies, will lower production costs in those companies, and will increase their productivity.

Another bill I will soon send to the National Congress is the one amending artisan production laws. The bill I will send seeks to strengthen the economy of the artisan productive sector and create 50,000 new jobs.

We have implemented a coherent wage policy in accordance with the remaining country's economic and social factors. That policy seeks to defend the workers' real income, revitalize the economy, and promote social development.

In October 1988 we increased the basic minimum wage from 19,000 to 22,000 sucres per month. In addition, we financed the wage increase decreed by the previous government for July 1988. That increase was approved without having enough resources to meet that obligation.

In May of this year we again established a new minimum wage—of 27,000 sucres—with a differential in the increases of the public and private sectors in order to redress the salary inequality between the two sectors. I have fulfilled my promise to protect the purchasing power of salaries because from July 1988 to date we have financed minimum wage increases from 14,500 to 27,000 sucres. [applause] This represents an 86-percent increase while the inflation accumulated during the same period was 76.3 percent.

Through actions taken by the sectorial salary commissions, we have increased the salaries of 680,000 workers by 96 percent during the same period. This is substantially higher than the rate of inflation. Overcoming all sorts of difficulties and resistance, the government moved forward with the process of standardization [unificacion] of salaries of the public sector, granting to 52,000 public servants salary increases amounting to 11,000 sucres a month, on the average. As a whole, these increases represent a fiscal outlay of 10 billion sucres.

Since 10 August we have increased retirement pensions and widow's and orphan's funds [montepio] on three occasions, for a total increase of up to 107 percent in comparison to the amounts 1 year ago. These benefits, which totaled more than 18 billion sucres, favored 115,000 people. We have taken care of about 5,000 severance pay requests [solicitudes de cesantia] totaling more than 2.3 billion sucres [applause], and we have granted 7,761 mortgage loans at an average annual interest of 14 percent totaling 12.3 billion sucres.

In addition, we granted 251,500 loans, without requiring collateral, for 21 billion sucres, and 314,000 loans that do require collateral, for 5 billion sucres. All this was done for the benefit of Ecuadoran workers. [applause]

In the field of health, for the first in the Public Health Ministry's 21-year-old history, a national health plan was drafted and implemented. This plan gives priority to five major policies with their respective projects and programs: nutrition, family health, basic sanitation, medicine, and hospital rehabilitation. The Public Health Ministry, in coordination with INNFA and support from UNICEF, the Pan American Health Organization, AID [Agency for International Development], and other foreign cooperation agencies, began to strengthen programs for mother and infant care, nutritional epidemiological protection, growth and weight control, complementary nutrition, and child development.

Highly mindful of its responsibility regarding malnutrition affecting 50 percent of our children less than 5 years old, the National Congress established a children's nutrition and protection fund to enable the government to meet social demands in this field. Public Health Minister Plutarco Naranjo changed the medicinal, biological, and individualist system the ministry had implemented since it was founded but which did not yield good results. He implemented an all-encompassing family plan, which does not wait for the patient to arrive in the hospital, sometimes when it is too late. This plan prevents diseases by sending doctors to low-income city neighborhoods or rural communities to visit each house and check the health of many family members. [applause, shouts]

Not long after the plan began, many health brigades were already operating in low-income neighbhoords in Quito, Guayaquil, Portoviejo, and Manta. We will soon expand this service to all the country's provinces. In June, the Public Health Ministry carried out a country-wide vaccination campaign, with INNFA's help, to expand immunized areas. When I took office there were approximately 60,000 cases of malaria or yellow fever, chiefly in the provinces of Esmeraldas, Guayas, Pinchincha's western area, Napo, and the area now called [name indistinct]. According to an agreement signed between

Ecuador and AID, the previous government was committed to importing 300 tons of DDT every year to combat malaria, (?but did not). In the 4 years of the previous administration, just 60 tons of insecticide were imported, and so the campaign against malaria failed. In the 1st year of my administration, we imported 100 tons of DTT, and AID has supplied other insecticides. Therefore, we lowered the number of yellow fever cases by 50 percent.

Unfortunately, in June and July of this year this campaign came to a halt because of the strike by malaria workers, who are demanding wage increases totalling 1 billion sucres, something which the government does not have. Despite this winter's heavy rains, the Public Health Ministry, with technical cooperation from the Cuban Government, managed to control cases of dengue in Guayaquil and other coastal cities.

In the field of basic sanitation, during the 1st year of my administration, we built and inaugurated 240 drinking water systems, 21 sewer systems, and 173 latrines, benefiting 810,000 persons in peasant areas that have always lacked these services. [applause, shouts]

By the end of this year we expect to construct and put into operation a total of 500 water purification plants. In view of the corruption, inefficiency, and incompetence of the administrative institution in charge of providing potable water to the city of Guayaquil, my government has taken over the responsibility of facing this problem and of providing this service to the entire Guayas Province. This will be done through the provincial potable water enterprise, whose legal status has just been approved by the National Congress. [applause, shouts] The government has provided financial and technical assistance for the installation of potable water plants in Lojas, Zamora, El Oro, Esmeralda, Quito, Manabi, and other provinces.

When I took over power, the situation of the state hospitals was a disaster; they lacked everything. Hospitals lacked the most essential medical supplies. Many of the state hospitals had even stopped feeding the sick due to the debts accumulated by the previous government. The health minister reported the existence of contracts for over $50 million for excessive purchases of hospital equipment or to purchase nonpriority equipment. Meanwhile, the purchase of supplies essential for the operation of hospitals had not been requested.

Premature inaugurations were held, such as those at the hospitals in Manta and Bajo [word indistinct] de Quito and the maternity hospital in Guasmo, which was not ready to function because the facility was still under construction.

This has caused Ecuador serious financial and even labor problems. My government has finished the hospitals and has continued building the Quito [word indistinct] and those in Ibarra, Riobamba, Guadaranda, Pasaje, Puno, and other minor health centers, while the IESS [Ecuadoran Social Security Institute] completed the hospital projects in Latacunga, Ibarra, Riobamba, and Portoviejo, and began constructing the Guaranda Hospital. [applause]

During 1989 the IESS medical departments have attended to 2 million patients, 55,000 hospitalizations, and 50,000 surgical procedures, and have distributed 6 million prescriptions to IESS members throughout the country. [applause]

Nevertheless, I am fully aware of the deficiencies in the quality of medical services given workers at the IESS, as well as at state hospitals and dispensaries, and I am determined and resolved to improve this situation. [applause]

Education and Culture Minister Alfredo Vera has made an intense effort during this first year. It is impossible, because of time limitations, to present a complete report on educational issues, but I will outline a few of my government's leading achievements, the foremost of which is the national literacy campaign that is under way throughout the entire country. [applause] We are taking the basics of culture to masses whom, because of an unjustly organized society, have not—until today—had access to such benefits. This operation has led to the mobilization en masse of high school students and teachers who, with exemplary insight, are fulfilling the task of teaching our illiterate compatriots how to read. In order to teach over 235,000 Ecuadoreans how to read, 59,120 students and 17,300 volunteers have traveled through the jungles, the countryside, and the cities.(sentence as heard) [applause] There is no precedent in our nation's history of a social activity of such proportions.

As part of the children's nutrition plan, the Education Ministry is currently distributing 470,000 free meals daily to Ecuadoran school children in every province, except Galapagos. Our goal is to gradually increase this figure to 830,000 meals daily, by increasing the program's budget and signing a cooperation agreement with the Ecuadoran Episcopal Conference.

A total of 1,400 new teaching jobs have been created in the public schools; the teachers' minimum wages have been increased from 22,000 to 27,000 sucres monthly; 1,476 billion sucres have been invested in school construction, remodeling, and equipment; and tuition costs of private schools have been worked out with parents. [applause, cheers for President Borja]

I am greatly interested in maintaining the most cordial friendly and cooperative relations with the provincial councils and the municipalities of the country, regardless of the political affiliation of the officials involved. I feel we all have something in common. We were all elected by the people, and the people are demanding from us urgent solutions to their problems. Due to the crisis situation, we are unable to provide the answers to the problems. The people have unlimited needs, and we have limited resources to meet these needs.

Nearly every day I am visited by prefects, mayors, and presidents of municipal councils from throughout the country who have very urgent demands. However, the government's funds do not always allow us to meet their needs. I have tried to give them everything I have available. My government is up to date on assigning funds that must be allotted to the regional organizations. Nonetheless, I must admit that all of this is insufficient for meeting the budget needs.

A total of 45.351 billion sucres were deposited in the national fund for the regional organizations for its normal expenses from August 1988 to June 1989. During the same period of time, the previous administration only allotted (?24.110) billion sucres. This means that during this year of my administration this fund has been increased by 85 percent.

The Ecuadoran Development Bank has mainly directed its operations to financing projects of the regional organizations. This year it has approved credits in the amount of 9.897 billion sucres for the construction of hospitals and the purchase of equipment, for water works, for environmental protection, for highways and transportation, and for many other projects. My government has decided to increase the disbursements this year from 15.6 billion sucres to 25.6 billion sucres in order to finance so many programs that seek to pay the social debt. During the first year of my administration, CONAPRE [expansion unknown] has financed 154 projects in various parts of the country in the amount of 7.913 billion sucres.

In August 1988, Ecuador was a country wracked by administrative corruption at the highest governmental levels. I recall that, at the time, I referred to the empire of kleptomania as a system of government. I also requested that during my administration no one keep silent about any immoral actions, and that the people help me to establish honesty. My administration was to put an end to the era of those who thought the laws were made for their private use. [applause and cheers]

Today, justice is for all; that is the difference. Following charges raised by the government, the judges from several cities began investigating 116 cases of administrative immorality. Following charges raised by the secretary general of the administration, Washington Herrera, it was disclosed that one part of the rice imports was not of the quality contracted for. The government forced the enterprise involved to replace every single bit of the purchased product, so that the country was not affected by a single centavo. [applause]

The officials responsible for the attempted fraud were dismissed and brought before trial. The stage of complicity and cover-up is over.

Whoever takes a single sucre from our people will be punished—as some officials and employees at ENAC [National Enterprise for Warehousing and Marketing], at the customs offices, the Guayaquil Port Authority, CEPE, the Finance Ministry, and other state institutions have been. [applause]

Thus far in my administration, 121 state employees have been dismissed because they were involved in wrongdoing in the handling of public property. No one's influence will change my mind. I will fully honor my commitment to make the administration of public affairs honest. [applause] This is the difference between my government and the previous government and its fugitive cabinet now living in Miami thanks to the help they received from the big bosses of the previous government.

This report is aimed at men of good will in our country. I respectfully submit myself to their judgment. However, I do not care about the opinion of those who caused the national disaster, who during the past 4 years, with shameless dishonesty, managed the country for their own benefit, who squandered public funds, who were incompetent, totally incompetent to handle the country's economy, and sunk our people into ruin. I do not care about those who, drunk with temporary courage, offended the democratic opposition leaders at that time. [applause]

I do not care about their opinion. They have caused so much harm to Ecuador that they have no right now to judge anyone. The people know them very well and have not forgotten their faces and claws. The people are fully aware of the base interests of those who have recently become the opposition leaders. [applause]

Messrs legislators: My report contains a message of optimism about Ecuador's future. I believe it is still not too late to reach a national agreement on the great objectives, which should transcend party rivalries, group interests, or personal interests. I urge all vital forces of Ecuador to reflect. I urge political leaders to leave big national topics, which should be treated with greater responsibility, out of their daily bickering. I urge labor leaders to adopt statesman-like attitudes and to take an overall view of national problems rather viewing things from special-interest perspectives. I appeal to the idealism of student leaders to make their contribution to the country's struggle. We have many problems to solve.

There is an informal economic sector that employs almost half of the country's labor force. They have no employers, no labor code to protect them; they do not enjoy the benefits of social security, and have no one to pay them bonuses for administrative efficiency. [applause]. These Ecuadoreans working on their own should also receive these benefits. A significant segment of the population lives in dire poverty.

With a statesman's mind and looking at the whole and not at its parts, we must all contribute to seeking solutions to our society's conflicts and needs, which include a social debt whose solution has been delayed for 500 years.

I thank the Ecuadoran people for their friendship and understanding. I thank the presidents of the Legislative and Judicial Branches for the correct fulfillment of their responsibilities toward the country. I thank the magistrates of the Court of Administrative Disputes for their outstanding performance. I also want to thank the members of the Tribunal of Constitutional Guarantees for defending the Constitution. I want to thank public employees for the honesty with which they have carried out their duties.

I want to thank the members of the electoral organizations for protecting the democratic system. I want to thank the ministers, deputy ministers, directors of state-owned enterprises, governors, and all public employees who are part of this efficient working team that was able to face the crisis. I thank the leaders and militants of the Democratic Left. [applause] [crowd shouts indistinct slogans] They have supported me with loyalty and friendship and have walked with me along this path.

My special thanks to you, my friend, Ecuadoran Vice President Luis Parodi Valverde. [applause] Thank you for all the hours you have dedicated to the homeland's cause.

Ecuadoran democracy was inaugurated 10 years ago in this very room. Gentlemen legislators, our presence today and the presence of our people renew our commitment to continue living under liberty. [applause] [Crowd shouts indistinct slogans]

Peru

Official Opposes Foreign Election Observers

PY2408003689 Lima Television Peruana in Spanish 1800 GMT 23 Aug 89

[Text] National Electoral Court President Carlos Castaneda La Fontaine has rejected the presence of foreign observers at the 1990 presidential election. This request was made by Liberty Movement leader Mario Vargas Llosa.

Castaneda said that the election will be open and orderly. He added that there will be no fraud because the vote count will be carried out at the balloting stations and a copy of the vote count reports will be sent to the Armed Forces.

Mayoral Candidate Killed by Terrorists

PY2408033089 Lima Television Peruana in Spanish 0100 GMT 24 Aug 89

[Excerpt] Today terrorists killed Socialist Accord member (Samuel Umalia Sanchez) in the Paccha district. (Umalia), who was a candidate for mayor of Cerro de Pasco, is the first municipal candidate killed by terrorists.

Socialist Accord Press Chief Victor Oliva has confirmed the murder of (Umalia). Oliva said that the body of (Umalia), who sustained three bullet wounds in the head, was found this afternoon.

Oliva said that the crime was perpetrated by a terrorist command which kidnapped (Umalia) from his house early this morning. [passage omitted]

Venezuela

Perez Proposes Latin American Drug Summit

PA2308143789 Paris AFP in Spanish 0239 GMT 23 Aug 89

[Text] Caracas, 22 Aug (AFP)—Venezuelan President Carlos Andres Perez proposed holding an American summit "to fight drug trafficking as a crime without borders" in statements to reporters today in Caracas.

"We must fight drug trafficking as the most abominable crime of our time, and we must hold an American summit to outline the way to counter this crime without borders," Perez said.

Perez denied reports that Venezuelan military forces at the border with Colombia had been doubled following the murder of Senator and Liberal Party presidential hopeful Luis Carlos Galan on Friday, 19 August.

"We have not doubled our military forces at the border, but Colombia's problems prompt us to cooperate with that country's Armed Forces so that Venezuela may never become the hide-out of those who are causing so much damage in Latin America: the drug traffickers," he explained.

Asked about the type of cooperation that Venezuela would give, Perez said it would consist of "an appropriate protection of the border and the offer of our full solidarity."

Following Galan's assassination on Friday, reportedly by drug traffickers gunmen, Perez' government offered to help Colombia in its struggle against drug trafficking and asked for the ratification of a UN treaty against drug trafficking.

Deployment of Border Task Forces Planned

PA2308191189 Hamburg DPA in Spanish 1706 GMT 23 Aug 89

[Text] Caracas, 23 Aug (DPA)—Stepping up surveillance along the border with Colombia and President Carlos Andres Perez' warning that the struggle against drug trafficking must be strengthened are Venezuela's visible reactions to the wave of violence in the neighboring country, which resulted in the death of Liberal Party leader Luis Carlos Galan.

Meanwhile, it was learned that Eduardo Martinez Romero, recently arrested in Colombia and one of the leaders of the Medellin Cartel responsible for the organization's finances, was trying to purchase land in Venezuela to expand the activities of the organization.

According to Perez, the activities of the drug traffickers could move to Venezuelan territory. The Venezuelan president stressed the need to adopt strong measures against such a possibility. "The Venezuelan people must unite in this battle," the head of state said. He also announced that Venezuela will support Colombia by stepping up surveillance along the border.

In this sense, Venezuelan Defense Minister General Filmo Lopez Uzcategui announced the creation of "task forces" that will be deployed along Venezuela's western border. These task forces will carry out intelligence activities and support the military units stationed in the area.

The minister rejected the possibility of paramilitary personnel being recruited to form the "task forces" and added that incidents like the one that occurred in El Amparo on the border with Colombia last year when a group of soldiers murdered 17 fishermen will not be repeated.

"We are trying to keep drug traffickers from entering the country and continuing their criminal activities, the minister said.

According to statements made by sources stationed along the Colombian-Venezuelan border, and carried in today's edition of EL NACIONAL, Medellin Cartel treasurer Martinez Romero wanted to buy land in Zulia and Tachira, two Venezuelan states, to expand the organization's criminal activities.

According to Zulia State Governor Ismael Ordaz, the security corps have been alerted in light of the possibility that the drug trafficking "capos" may have fled into Venezuela as a result of the persecution unleashed in Colombia following the murder of Luis Carlos Galan on 18 August.

Guyana

President Appoints Three New Members to PNC

FL2208103089 Bridgetown CANA in English 2326 GMT 20 Aug 89

[Text] Georgetown, Guyana, Aug 20, CANA—A new 15-member Central Executive Committee of Guyana's ruling People's National Congress (PNC) featuring three new faces, was on Sunday [20 Aug] installed by party leader, President Desmond Hoyte. The newcomers, who Health Minister Dr. Noel Blackman, were chosen as the PNC's Biennial Congress drew to a close.

Conference sources also said that in one of a series of appointments announced by Hoyte, who was unchallenged for the party's leadership, Prime Minister Hamilton Green was named Deputy Leader of the party. Green replaces Vice President Ranji Chandisingh who was also general secretary of the party but who leaves shortly to take up an appointment as Guyana's Ambassador to Moscow.

The party's new general secretary will be Seeram Prashad, currently senior minister in the Ministry of Planning and Development. Chandisingh was one of three elected members of the party's last Central Executive Committee who were not re-elected. The others are Cuban-trained medical doctor Dr. Muntaz Majeed, and Senior Officer in the Ministry of Planning and Development, Dr. Lloyd Roopchand.

Hoyte has, however, made all three of them "appointed members" of the Central Executive. This suggests that Chandisingh is likely to continue serving on the party's Central Executive while based overseas.

Meanwhile, another overseas-based party member, Dr. Richard Van-West Charles, son-in-law of the party's founder-leader and late president of Guyana, Forbes Burnham, has been re-elected to serve on the Central Executive. Van-West Charles, a former minister of health here, is, reportedly, currently based in the United States studing under a scholarship sponsored by the Pan-American Health Organisation (PAHO).

Other reports Sunday [20 Aug] from the Sophia Convention Centre, where the party's Congress is being held, said that Prime Minister Green proved the most popular candidate at elections for the Central Execution Committee by capturing the maxium 583 votes. The first runner-up was Burnham's widow Viola Burnham who is also Vice-President of Culture and Social Development. She won 575 votes. The other front-runners were assistant General Secretary Urmia Johnson who is also minister in the Ministry of Regional Development (574 votes); Deputy Prime Minister of Public Utilities; Robert Corbin (559) votes; Georgetown Mayor Robert Williams (525 votes); and Deputy Prime Minister Planning and Development Haslyn Parris (519 votes).

Hoyte Says Ruling Party 'More United Than Ever'

FL2208143589 Bonaire Trans World Radio in English 1130 GMT 22 Aug 89

[Text] Guyanese President Desmond Hoyte is denying rumors of dissension within his ruling party over the government's economic policies. Mr Hoyte says that the ruling party is more united than ever and is ready to meet the challenges facing the nation. Some of the opposition groups have suggested that the hierarchy of the ruling party is divided over the government's handling of the country's economy, especially its relations with the IMF.

Local Elections Announced for 1990

FL2308193189 Bridgetown CANA in English 2242 GMT 21 Aug 89

[Text] Georgetown, Guyana, Aug 21, CANA—The holding of local government elections next year, agrarian reform, and the preparation of regional economic plans will be high on the agenda of the ruling People's National Congress (PNC) during the next two years, according to party leader, President Desmond Hoyte. In an address to a big public rally organized to mark the end of the PNC's Eighth Biennial Congress, he said priority would also be given to removing obstacles to full equality for women.

Hoyte also told the rally at the Square of the Revolution that the congress attended by more than 2,000 delegates and observers reaffirmed the permanent role of the private sector in Guyana's economy. The congress, he reported, also stressed that state owned entities must be efficient and must justify their existence by being able to contribute to national resources.

Hoyte said the congress reaffirmed the government's foreign policy based on non-alignment; threw its full weight behind the government's Economic Recovery Programme (ERP); and, called for the speedy and efficient implementation of the government's social Impact Amelioration Programme (Simap) intended to bring relief to the country's economically vulnerable groups. The national budget presented at the end of March saw a 70 per cent devaluation of the dollar which sent food prices and the cost of basic commodities spiralling.

The Guyanese leader said congress felt that there should be an expansion in the area of local government by holding elections for another tier in the local government system "during the course of next year." Congress, he added, also recommended that this should continue, methodically, until the whole local government structure as conceived in a "state paper" several years ago, has been implemented. Hoyte said local government elections are important to the economic and social development of the country's 10 administrative regions.

He said the congress directed that, in addition to the elections, the government should proceed to the implementation of regional economic plans to help stimulate

development in the regions and promote regional self-reliance and regional self-sufficiency. Congress also urged that the process of agarian reform be speeded up to facilitate land distribution and to prevent fragmentation of land and the holding of land for speculation. Hoyte called for the streamlining of the bureaucracy dealing with the allocation of land, the granting of titles, and all other matters relating to land and land holding.

He told the rally that Guyanese women "constitute an enormous and powerful force" but notwithstanding the constitutional and other legal provisions which give them equality, there are still many insidious practices which are contrary to the principle of equality.

"There are many subtle practices which are discriminatory and congress therefore called upon the government to identify those remaining obstacles to full enjoyment of equality on the part of women and take all speedy action to eliminate them so that we can release the potential of our women...that enormous potential that they have for contributing to the social, cultural, economic, and poilitical growth of this country."

The congress, he also reported, stressed the need for the horizons of the nations as young people to be broadened.

Sugar Workers Strike for Higher Minimum Wage

FL2308193089 Bridgetown CANA in English 0044 GMT 23 Aug 89

[Text] Georgetown, Guyana, Aug 22, CANA— Sugar workers at several of the country's sugar estates walked off their jobs on Tuesday [15 August] to back demands for an early conclusion of money talks between the Guyana Agricultural and General Workers' Union (Gawu) and and the state-owned Guyana Sugar Corporation (Guysuco).

Talks between the two parties started more than two and a half months ago shortly after a seven-week strike in the sugar industry, which was staged to protest against a sharp rise in the cost of living here in the wake of the March 31 national budget.

Gawu's general secretary, Komal Chand, told CANA over the weekend that Guysuco had not kept its promise to get in touch with Gawu by mid last week to inform it about its latest position with regard to the talk for increased wages and improved working conditions.

He had indicated that if the union did not hear from Guysuco, it would this week, have to consult its members on what course of action to pursue. Up to late Monday [21 August], Komal Chand could not be reached by telephone for comment on the latest situation. However, sources close to the union said that the current work stoppage is likely to continue and end Tuesday.

Guysuco is offering sugar workers a package which includes a number of tax-free production incentives and a minimum wage of about $40.00 (G1.00 : 3 U.S. cents) per day—an increase of about 22 per cent over and above the 20 per cent across-the-board increase approved by government in its 1989 budget for all public sector workers.

Gawu, however, is holding out for a minimum wage of about $100.00 per day.

The current work stoppage has come at a time when sugar production has been running ahead of the set targets.

Brazilian Turbines To Solve Electricity Problems

FL2308015789 Bridgetown CANA in English 1532 GMT 20 Aug 89

[Text] Georgetown, Guyana, Aug 20, CANA—A team of Brazilian technicians has started preparatory work here for the installation of two 10 megawatts (MW) diesel-powered turbines being made available to Guyana on loan from Brazilian Government to help deal with the country's chronic electricity supply crisis. Daily electricity black-outs have become a feature of Guyanese life.

The Brazilians are engaged in preparing the foundation works for the two turbines which are being dismantled at Porto Velho in Brazil for shipment here by mid-October. In addition, in preparation for the arrival here of the two units, materials for the foundation - including cement and steel - were recently flown into Guyana aboard Brazilian Air Force transport planes.

The two generators from Brazil will be mounted at the Guyana Electricity Corporations (GECS) power station complex at Kingston in the north-western section of the city where the old generators have been dismantled.

The Brazilians will be supervising the installation of the generators and will be providing staff to run them, at least in the initial stages. They hope to have one of the two generators in operation before Christmas and the second one should be running by February. Meanwhile, several other activities aimed at the rehaviliation of the GECS power-generating facilities, and involving engineers from firms such as Foster Wheeler and from Canadian international power services are currently gaining momentum here. And, according to President Desmond Hoyte, he has been assured that "on the basis of the work now being done, the supply and reliability of electricity should progressively improve and that Christmas, 1989, would be a bright one."

And, referring to several earlier promises by the government to solve the problems in the country's power-generation sector, which he said are "still severe", Hoyte added: "The people are tired of broken promises."

Suriname

Guyanese President To Arrive 23 August

FL2308182489 Paramaribo International Service in English 1730 GMT 23 Aug 89

[Text] Guyana's president, Desmond Hoyte, arrives in Suriname today on a 3-day official visit. This is a visit in return to one paid by Suriname's president, Shankar, to Guyana in March of this year. The most important result of this visit was the installation of a joint cooperation council which must make proposals to both governments on cooperation in various fields.

During Hoyte's visit to Suriname, views will be exchanged about the working activities which have been carried out by the cooperation council until now. Both presidents will also discuss national, regional, and international questions. President Hoyte will also address the National Assembly and the Council of Ministers and visit a few production centers.

It's the first time that the Guyanese president is visiting Suriname.

President Hoyte is accompanied by, among others, his wife, the ministers of foreign affairs, trade and tourism, and home affairs and the chairman of the Guyanese Chamber of Industry and Commerce.

Pokigron Residents Establish Village Board

FL2208200589 Paramaribo International Service in English 1730 GMT 22 Aug 89

[Text] The residents of the Pokigron village in the Brokopondo District have during a meeting in Paramaribo last Sunday elected a village board. The approximately 500 residents of Pokigron are determined to reconstruct the village which was ravaged by the terrorists.

The village board, which is chaired by Captain [name indistinct], has been ordered to ask the government for guarantees for a safe return to Pokigron.

Some youths have told the SURINAME NEWS AGENCY that they want to be involved in the eventual formation of the special police force in the interior.

The residents of Pokigron belong to the (Saramaccana) tribe.

Government Grounds SLM Planes After Defect Found

FL2208195189 Paramaribo International Service in English 1730 GMT 22 Aug 89

[Text] The chairman of the union that represents workers at the Suriname Airways [SLM], Fred Derby, said that the union won't allow the company to be in bigger problems caused by the lackadaisical attitude of the shareholders. According to Derby, the continued (?existence) of the SLM and the job security of the workers may be in danger. Derby sat yesterday in a meeting with Suriname Airways personnel to inform them about recent happenings in the company.

The government has last week grounded all the aircrafts available to the SLM for the regional and mid-Atlantic routes [words indistinct] for an indefinite period. This decision was taken following a technical defect during a flight. The aircraft has in the meantime returned to Suriname following a routine examination in Miami.

According to information, the technical defect has been corrected and the aircraft has been found to be airworthy again. The decision to ground the aircraft has however, not been lifted. It is expected that the government will today make a decision in this matter.

SLM Resumes Some Flights 24 Aug

FL2308184989 Paramaribo International Service in English 1730 GMT 23 Aug 89

[Text] The SLM aircraft for the regional and mid-Atlantic routes [words indistinct] will start flying again tomorrow. Last week, the government had decided to ground the aircraft in order to obtain information on the airworthiness of the aircraft.

This decision was taken after a defect was discovered on the landing gear of the aircraft during a flight last week, Wednesday [16 August]. After having obtained information from various bodies, the government decided that the (?aircraft) may fly again.

The aircraft will fly to Miami tomorrow and probably next week, Wednesday, to Amsterdam.